Daily Report

Latin America

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FBIS-LAT-93-149 *5 August 1993*

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Cooperation Talks With France End

FL2707162693 Bridgetown CANA in English 1308 GMT 27 Jul 93

[Text] Castries, St. Lucia, July 26, CANA—French and St. Lucia senior government officials have ended talks here agreeing on the need to strengthen links of cooperation between them and control crime in their countries.

Jacques Marguerite, counsellor at the French Embassy here, told CANA a meeting at the weekend was held in a cordial atmosphere with Castries wanting "concrete and pragmatic" approaches towards deepening the existing relations.

"The cooperation exists, but we had to strengthen and formalise it... It is a good thing already," he added.

The meeting was attended by customs, police, foreign affairs, and law enforcement officers from both sides. It was aimed at improving bilateral co-operation in the control of crime, especially the trafficking of narcotics, firearms, and ammunition between the French dependents and St. Lucia. The St. Lucia Ministry of Foreign Affairs has not commented on the outcome of the discussions.

Marguerite said that regarding the movement of "known criminals or persons tainted with suspicion, we had agreed to inform each other about that." But he said the French delegation had expressed reservations about giving information about citizens in the French islands, should it be required by Castries. He said there was a special commission in the French islands concerned with the computerisation, liberty, and freedom of citizens.

"When the St. Lucian authorities want some information about somebody, we have a difficulty... It seems to us that it will be very difficult in this field," he said. But he noted that the French had given an undertaking to inform Castries about the expulsion of its citizens.

"We admit we had to inform St. Lucia about the expulsion... When the immigration officials expel some St. Lucians, the government is not informed about it, and we took the commitment to inform the St. Lucian authorities about that," he said. Marguerite also indicated that the French authorities were very surprised about observations by St. Lucia that there was trafficking of arms from Martinque. He said the authorities had promised to investigate the matter.

Marguerite said no date had been given for a follow-up meeting between the two sides, although it was agreed that there should be other high-level discussions.

Cuba

Council of State Orders Replacement of Four Ministers

FL0408115193 Havana Radio Progreso Network in Spanish 1100 GMT 4 Aug 93

[Text] Our first item in this newscast is an official note that appears in GRANMA, the official organ of the Central Committee of the Communist Party of Cuba [PCC], today, Wednesday, 4 August. The note is as follows:

On the orders of the Council of State, four Cuban ministers have been removed from their posts. The ministers who will be replaced are Sugar Minister Juan Herrera, Communications Minister Manuel Castillo Rabasa, Agriculture Minister Carlos Perez, and Rodrigo Garcia Leon, minister president of the State Committee for Finance.

At the proposal of the Politburo of the PCC Central Committee, the Council of State has appointed Alfredo Jordan as agriculture minister, Nelson Torres as sugar minister, Brigadier General Silvano Colas as communications minister, and Jose Luis Rodriguez as head the State Committee for Finance.

The PCC Provincial Committee in Las Tunas in plenum has elected Julian Lopez Hernandez to replace Alfredo Jordan as the first secretary of that province. Lopez Hernandez is a member of the Central Committee and was president of the People's Government in that province to date.

The plenum of the PCC provincial committee in Cienfuegos has chosen Manuel Menendez Castellanos to replace Nelson Torres as first secretary. Menendez Castellanos is currently secretary general of the National Chemical, Mining, and Energy Industry Workers Trade Union.

Brigadier General Silvano Colas was formerly head of the technical directorate of the General Staff of the Ministry of the Revolutionary Armed Forces [direccion tecnica del mando del Ministerio de las Fuerzas Armadas Revolucionarias], and Jose Luis Rodriguez was deputy director of the Economic and International Research Center.

Commentary Claims New Measures 'Not Panacea' for Problems

FL0208183993 Havana Radio Rebelde Network in Spanish 1700 GMT 2 Aug 93

[Jose Armas commentary]

[Text] In view of the comments that we have heard and others that we have seen in print, it is opportune for us to explain something: The measures announced by Fidel Castro on 26 July are not, as some seem to have interpreted them to be, a panacea for our complex and very difficult problems. Of course, they are the most intelligent measures that could be taken in response to the imperatives of our situation. However, the purpose of those measures is, in essence, to help preserve our achievements and broaden our maneuvering space in the battle to overcome the special period.

For example, let us look at the legalization of the possession of convertible foreign exchange and the increase in the number of permits for Cubans or persons of Cuban origin to visit relatives here. Implementation of those measures does not mean that convertible foreign exchange is going to come flowing into the country. That does not depend solely on Cuban actions; it also depends on the community of Cubans abroad, their economic solvency, their volition, and any regulations that the government in Washington may establish.

At present, a movement is already underway by the most counterrevolutionary sectors to oppose both the remittance of dollars to relatives in Cuba and travel to our country. Of course, many people in that community do not agree with those sectors, and criticize the blockade. Unfortunately, however, the ideas of the most anti-Cuban sectors in that community have prevailed to date. On the other hand, there is the U.S. Government. As far as we know, there will be no change in existing regulations, which are quite restrictive.

Can these measures solve even the problem of the fuel that we need? That is impossible. It is enough to say that, in order to import 7 million tons of fuel—the minimum that we need to get the country moving—at the current price ratios, we would need no less than 4.5 million tons of sugar. In other words, our sugar harvest would have to be greater than that of 1992-1993, just to purchase fuel. Let us also keep in mind that the residential sector consumes 3 million tons of the fuel that we import.

Consequently, our main, key efforts should be to try to normalize sugar production and continue to emphasize tourism, an area which has had a sustained growth both in the number of tourists and in short-term gross and net income. The rest is very important, but must be considered over a much longer term. It has already been said: Capital is even more easily spooked than a rabbit. Therefore, we must be neither pessimistic nor too hopeful.

Commentary Links National Survival to Foreign Exchange

PA0208181193 Havana Radio Havana Cuba in Spanish 0000 GMT 1 Aug 93

[Roberto Morejon commentary]

[Text] The announcement by the Cuban authorities that they will resort to new and even uncomfortable formulas to increase the influx of convertible currency has prompted internal controversy.

As time passes and as Cubans become increasingly aware of the dramatic economic situation, skeptics will have to acknowledge the inevitable nature of the measures.

It is true that the decriminalization of the possession of foreign exchange generated controversy in parks, on streets, and at bus stops. But President Fidel Castro's 26 July speech generated additional arguments in support of such a decision.

The Cuban leadership believes that part of Cuban society still does not understand just how scarce foreign exchange is in the national treasury. That is why on 26 July the Cuban president provided figures and additional reflections on the crisis, which by the way has had a special impact on fuel.

To make sure the country moves forward, it is necessary for the country to purchase a minimum of 7 million tons of fuel under unfavorable conditions. Since oil is sold at monopoly prices and sugar is sold at increasingly low prices, Cubans can only buy 1.5 tons of oil for each ton of sugar, which is 6.5-tons less than in the 1960's.

The sudden drop in sugar production during the last harvest placed the country at a greater disadvantage when it came to buying fuel supplies. We must recall that Cuba is also forced to purchase basic foodstuffs and medicines. That is why the survival of Cuba itself is threatened if foreign exchange is not allowed into the country.

Cuba has no choice but to implement solutions such as the ones announced on 26 July, which include the decriminalization of the possession of foreign exchange, an increase in permits issued for family visits, and a greater opening to foreign investment.

After becoming aware of the dimensions of the crisis, Cubans will begin to realize that the measures cannot be postponed any longer, even though some of the measures are not in keeping with the sense of social equality prevailing in this country for more than three decades.

Cabinet Reshuffle Reflects Economic Realities

PA0508005693 Paris AFP in Spanish 1438 GMT 4 Aug 93

[Report by Alfredo Munoz-Unsain]

[Text] Havana, 4 Aug (AFP)—The reshuffling of four posts (namely, Finance, Agriculture, Sugar, and Communications) in the Cuban Council of Ministers announced on Wednesday, 4 August, reflects President Fidel Castro's wish to change the course of the Cuban economy.

Diplomats and observers in Havana feel it is clear that the state economic apparatus, formed when the USSR still existed and was Cuba's chief financial and commercial partner, had been designed based on criteria that the disappearance of Eastern Europe's socialist camp has rendered obsolete.

In this respect, the appointment of Jose Luis Rodriguez Garcia as minister chairman of the State Committee for Finance seems to be the most significant.

Rodriguez Garcia was until now deputy director of the World Economy Research Center (CIEM), an institute linked to the Central Committee of the Communist Party of Cuba [PCC], which advises the State Council among other duties.

In diplomatic circles, the CIEM is regarded as an advance think tank [preceding two words in English] where the most modern theories of Western economists are studied for a long time with scientific interest and without ideological dread.

The new finance minister also edited the News Bulletin on the Cuban Economy, which months ago published a tough analysis by researcher Julio Carranza Valdes (of the America Study Center [Centro de Estudios Sobre America], another semi-official think tank) proposing the "strategic readjustment of the revolutionary project" in Cuba.

Outgoing Finance Minister Rodrigo Leon, member of the PCC Central Commitee, was named to the post in April 1985, when he was the vice chairman of the State Commitee for Material and Technical Supply, a key agency when the USSR was essential to Cuban economy.

The appointment of two members of the PCC Politburo, the Cuban system's top leadership, gives impetus to the "generational renewal" and also reveals that Castro wishes to end the catastrophe in two vital sectors: sugar production and agriculture.

The 1992-93 sugar harvest, a key element in state finances, was less than 4,300 tons [as received], the lowest in 30 years.

In addition, the mostly state-run agriculture falls far short of the country's food needs while unrest over hardships is growing rapidly.

Nelson Torres Perez was named sugar industry minister to replace Juan Herrera Machado, a member of the Central Commitee who had held this post since July 1986.

The new minister is 44 years old, a civil engineer, university professor, member of the Politburo, and was the PCC first secretary in Cienfuegos, an industrial province where he had served as PCC secretary in the labor force that was building the Juragua Electronuclear Plant, which has been halted since the collapse of the USSR. Carlos Perez Leon, who had been agriculture minister since September 1988, was replaced by 43-year-old PCC Politburo member Alfredo Jordan Morales.

Jordan Morales, a former farm worker and Social Sciences student, had been serving until now as PCC first

secretary in Las Tunas, a province where food production is not as unsatisfactory as others, according to official sources.

The appointment of Brigade General Silvano Colas Sanchez, who until now was the chief of the Technical Directorate of the Ministry of the Revolutionary Armed Forces to replace Manuel Castillo Rabasa, who had served in that post since May 1986, seems to be based on technical considerations.

Without efficient communications any modernization effort becomes impossible, and owing to the deterioration that began years ago Cuban communications are on the verge of a disaster.

Implementation of New Cane-Farming Structure Noted

FL0308232393 Havana Radio Reloj Network in Spanish 1958 GMT 3 Aug 93

[Text] Under the new concept of organizing the cane share plots [los lotes caneros] so that they can really play their role as the fundamental cell in cane agriculture, 50 of these share plots are already operative in Las Tunas Province. These share plots, of approximately 30 caballerias in size, have certain resources that in the past were concentrated in this province on the cane farms—resources such as the labor force, manual tools, oxen, implements, and knapsacks.

The buttressing of the cane share plots in Las Tunas Province includes creating Cuban Communist Party cores [nucleos], Union of Young Communists committees, and labor union sections at that level.

According to a report from our correspondent, Luis Manuel Quesada Quindelan, this process, aimed at allowing the cane share plots to serve their function in sugarcane sector agriculture, is progressing satisfactorily, with more than 800 model workers designated [elejiuos como ejemplares].

Castro To Attend Bolivian Inaugural Ceremony

FL0408130293 Havana Radio Rebelde Network in Spanish 1155 GMT 3 Aug 93

[Text] On 6 August, President Fidel Castro will attend the presidential inaugural ceremony in Bolivia. The confirmations was given in La Paz by Cuban Foreign Minister Roberto Robaina, who is visiting Bolivia. With his attendance, Fidel Castro will honor an invitation made by outgoing President Jaime Paz Zamora. Paz Zamora will relinquish command to President-elect Gonzalo Sanchez de Lozada.

Castro at Pastors for Peace Anniversary

FL0408151793 Havana Radio Rebelde Network in Spanish 1155 GMT 4 Aug 93

[Report on "excerpts" of a speech by President Fidel Castro at a ceremony marking the fifth anniversary of the Pastors for Peace organization in Havana on 3 August—recorded in Spanish with superimposed translation into English]

[Text] During the celebration of the anniversary of the Pastors for Peace organization, Commander in Chief Fidel Castro gave a speech to those who were present. We are now going to continue airing excerpts of the speech, as we have been doing.

In a part of his speech, Fidel spoke about the multiple phenomena that take place across the border every day, such as drug trafficking, the illegal traffic of children and weapons, all for no just cause, of course. With regard to this topic, Fidel said:

[Begin recording] Have any of you ever heard anyone saying that a customs inspector on the U.S. border confiscated a rifle, a gun, or an airplane, or any of the hundreds of thousands of weapons, the hundreds of thousands of tons of war material, bombs, and explosives that were used in Guatemala and El Salvador to murder tens of thousands of people or that were used during the dirty war on Nicaragua or in other places such as Chile, Argentina, South Africa, and who knows how many other places? There was no blockade against anyone. None of the customs inspectors arrested anyone or detained anyone for a few hours, or seized any of those weapons that everyone knows crossed the U.S. border.

I do not see why they have seized this bus, which is to be used by the Martin Luther King Center to transport elderly citizens, children, and patients. What else could the center do with that school bus if not that?

Thirteen people are being detained there in unbearable heat, on a hunger strike, enduring the most humiliating conditions. What moral and ethical justification can this have? How can this increase the grandeur, glory, and honor of the United States? Who increases the grandeur, glory, and honor of the United States if not people like you, who have shouldered boxes and packages not to torture or take anyone's life, not to assassinate or kill anyone, but to help elderly people, children, and patients, and to help our people, who are being so unjustly blockaded. [end recording]

President Fidel Castro was present at the presentation of the Order of Solidarity to members of the U.S.-Cuba Friendship Caravan. At the presentation, our commander in chief made a speech. We have been broadcasting some of the excerpts. In the following excerpt, we will air the portion in which Fidel thanks the members of the caravan and states that this gesture will receive the recognition of future generations. In this regard, he said:

[Begin recording] Some day, if future generations of Americans were to feel ashamed—as they surely will—of the fact that the authorities of their country imposed such cruel measures, acted so cruelly toward a small nation like Cuba, those same generations of Americans will surely be proud of what the Pastors for Peace have done, and what the Friendship Caravan has done. [rhythmic applause] You are salvaging your nation's sense of justice. You are salvaging your country's honor. I think it is absolutely impossible that you should fail to achieve your purpose sooner or later. I mean, I am certain that you will achieve your purpose. We will resist with all our strength, but even if some day, the enemies of justice, the enemies of our country's independence, those who continue to have an arrogant mentality were to manage to wipe Cuba off the face of the Earth, you would never be regretful, and future generations would never regret the actions of those who helped a developing people, a courageous and just people, the Cuban people. [applause]

The example that you are setting will never be lost. The seed you are planting today will always bear fruit. You and those who come later will always have great cause for satisfaction and happiness. [end recording]

In the following excerpt, Fidel is talking about the superhuman efforts made by members of the caravan and expresses his appreciation for them. He explains the difficult situation of the work they, the members of the Pastors for Peace movement, carry out from within the United States. On this topic Fidel said:

[Begin recording] They will feel honored with what you have done because your battle is not an easy one. It is a difficult battle. It is a very difficult battle when you have to face so much prejudice, so many falsehoods, lies, and manipulation that many of you know take place in the world.

As you know for 30 years, they have been planting lies to destroy the faith and trust of other people, to alienate the good will of the people of the United States. So we understand how difficult your struggle is. But when we see people like you that defy the lies, all the obstacles, and difficulties, our admiration is multiplied and you remind us of those who were your predecessors.

No one can say that you were few. More than 100 people came in the first caravan. In the second caravan more than 300 people came. And if it continues to snowball like this, perhaps someday we will receive 3,000 or 30,000, or 300,000 U.S. citizens in our country. [applause]

You remind us of your predecessors because they were fewer than you. They were the 12 apostles who were unknowns. At the time, there was no mass media. By their efforts and work, and their noble martyrdom, they were able to gradually conquer the hearts of many thousands of people, and later of millions. It is not necessary to repeat the history that all of you know so well of those men and women who, rather than renounce their faith and principles, would allow themselves to be devoured by lions.

Because of their feelings, ideas, and values—in spite of all the obstacles and even despite the fact that some of them abandoned their principles—they came to number in the hundreds of thousands, millions, tens of millions, and hundreds of millions of standard-bearers of those ideas and values. The 12 apostles triumphed and you too will triumph, [applause] no matter how long it takes, no matter when the triumph comes, whether defending a small country like Cuba today, or defending any other country tomorrow. Men, governments, and empires are temporary, but noble and fair ideas live on. They are eternal. Thank you very much. [end recording]

Finally, Commander in Chief Fidel Castro thanked all members of the caravan for their humane gesture. He said this symbolic action will not be forgotten in human history.

In closing, we should note that the members of the Cuba-U.S. Friendship Caravan are currently participating in the second forum against the blockade that is under way at the Cuban Institute of Friendship with Peoples.

Speaker Analyzes Impact of Foreign Exchange Legalization

FL0408195393

[Editorial Report] Havana Radio Rebelde Network in Spanish at 1600 GMT on 4 August in its 15-minute "Straight Talk" program features newsman Renato Recio of TRABAJADORES newspaper answering questions from an unidentified station announcer. The subject is the recently announced decriminalization of the possession of foreign exchange.

Asked whether there is anything new to be said on the subject, Recio says there is room for "years" of discussion of the subject because, he says, the lack of foreign exchange is the "Achilles heel of the Cuban economy." He adds: "We are seeing a vicious circle. Our economy does not produce the necessary goods, because we have no foreign exchange, and we lack foreign exchange because our economy is operating at half speed, at a level far below its potential capacity." He adds: "Of course, the announced decriminalization of the possession of hard currency—which, in the Cuban case, as everyone knows, refers basically to the dollar—is an important attempt, although not the only one, to find a solution, to find ways of breaking the vicious circle that tends to paralyze our economy."

Recio says had it not been for the U.S. blockade and other "harassment," Cuba could solve this problem through the usual channels, such as international financing, but since that path is not open to Cuba, the

legalization of the possession of foreign exchange is seen as a way for the Cuban state to acquire this hard currency indirectly.

On the subject of whether the foreign exchange flowing into Cuba as a result of this measure would be considerable, Recio says: "I think so. I think it could be a large sum, especially when assessed from the viewpoint of Cuba's current situation. Yet, even in absolute terms, I believe it would still not be negligible." He says people who emigrate from the Dominican Republic reportedly send no less than $1 billion annually back home, while Salvadorans send more than $800 million a year to El Salvador. Recio says: "Considering the number and economic strength of Cuban emigrants, I would think the total amount of aid sent to their relatives will not be less than that received by El Salvador and the Dominican Republic, which as you can see, is a considerable sum."

Asked to what extent this measure could increase the $300 million that Cuba currently receives from the United States, Recio says many people are anxious to send aid to their relatives, so there should be a major increase. He says there is already a large sum of foreign exchange accumulated in Cuba, which has not been spent because of the lack of commercial opportunity, and moreover, there should be an increase in the number of visitors from the Cuban community abroad. He says: "I believe if we were to consider only the remittances that come from emigrants, income obtained from tips given by tourists and sums that could be and are brought in by Cubans who travel abroad, as well as other similar means, Cuba could have an additional income of some $1 billion annually." He says this is not a scientific statistic, but that the figure seems reasonable, and is a "modest estimate."

He says: "Let us use this figure of $1 billion for the purposes of the example that I wish to present. That sum reaches the people first, and then the people invest it in consumer goods, giving the state a commercial profit. No matter how small one imagines a commercial profit to be, it cannot be less than 30 percent. Thus, the national economy, all the Cuban people, would have $300 million, with which we could purchase no less than 2 million tons of oil for the functioning of the economy."

Recio dismisses some people's expressed fear that those who receive dollars will be in a privileged situation for acquiring consumer goods. He says this possibility is indeed "irritating," but the measure would ultimately help to revive the national economy, "the economy of all Cubans."

Recio says he does not agree with those who think that the Cuban economy will be "dollarized," and that part of Cubans' wages should be paid in dollars. He says that would be crazy. He maintains: "All handling, all movement, all use of the dollar in the people's economy must be directed toward one main goal: to strengthen the Cuban peso, restore our peso's purchasing power, and make the peso an incentive to labor and a factor in achieving the equity that is possible."

After listening to comments from people in the street regarding the possible effects of the circulation of dollars, with one unidentified person saying that this may devalue the peso, Recio implies that this effect would be temporary. He says no one should be surprised if the value of the peso initially declines for a while because of the excess currency that is currently in circulation, "a matter that must be faced within the shortest possible term, so that the measures related to the dollar can be fully successful." Recio and the announcer agree that the matter of excess currency in circulation should be the topic of another "Straight Talk" program.

Raul Castro Chairs EJT 20th Anniversary Ceremony

FL0308201193 Havana Radio Rebelde Network in Spanish 1700 GMT 3 Aug 93

[Excerpts] Army General Raul Castro, minister of the Revolutionary Armed Forces, chaired the national ceremony marking the 20th anniversary of the Youth Labor Army [EJT], which was held in Camaguey Province.

Among the most important moments of the ceremony, which was chaired and closed by Army Gen. Raul Castro Ruz, were the reading of a congratulatory message from Commander in Chief Fidel Castro Ruz to members of the EJT for their contributions to the economy over the past 20 years, and the Council of State's decision to award Division Gen. Rigoberto Garcia Fernandez, head of the EJT, Cuba's honorary title of Work Hero and the Lazaro Pena Medal, First Degree.

[Begin Raul Castro recording] More than 330,000 combatants, approximately one-third of a million, have completed their military service in its ranks, which constitutes an enriching experience in the life and the education of those youths who have obtained good habits, work experience, and a revolutionary formation that prepares them to form part of the work collectives where they generally stand out for their discipline and consecration to work. [end recording] [passage omitted]

In his speech, Raul Castro spoke of the discipline, organization, control, demand, and the example that characterizes this young and productive army.

[Begin recording] To all the veterans of the EJT, who are examples to present and future generations throughout the country, to you and to all the other institutions and organizations that have contributed to these important achievements. [sentence fragment as heard] [end recording]

Havana To Suffer Increased Power Outages

FL0308222693 Havana Radio Reloj Network in Spanish 1945 GMT 3 Aug 93

[Text] There will be an increase in the number of power outages in the city of Havana. As of tomorrow, 4 August,

and over the next few days, there will be more power outages than usual. This situation is due to a deficit in electricity production, and is being aggravated by a lack of the necessary fuel.

Radio Ciudad de la Habana has a system for issuing informational bulletins for its listeners every 30 minutes regarding the lack of electricity, by way of explaining the existing problems. This radio station also advises of limitations in connection with supplying water to several parts of the city, indicating a need for the capital's entire population to economize and conserve the precious liquid to the maximum.

Electric Enterprise on Power Outages in Havana

FL0408162693 Havana Radio Ciudad de la Habana in Spanish 1500 GMT 4 Aug 93

[Text] The Electric Enterprise of Havana City Province advises the population that, despite announcements of outages being increased, efforts have been made to maintain eight hours of interruptions and eight hours of service. Arturo Mora [director of the Electric Enterprise] points out that they have even shut off certain circuits, categorized as priority because of their economic importance, to prevent even greater outages. This situation of outages every eight hours continues due to the deficit in the generating capacity of the national grid system because of fuel limitations in several of its units.

Since early this morning until 1200 [1600 GMT], Marianao, Playa, La Lisa, Centro Habana, La Habana Vieja, Guanabacoa, Regla, Cotorro, San Miguel del Padron, and La Habana del Este Municipalities, as well as section 49 of Plaza de la Revolucion remain disconnected. Service will be interrupted between 1200 [1600 GMT] and 2000 [0000 GMT] in Boyeros, Diez de Octubre, Arroyo Naranjo, Plaza, and Cerro Municipalities, as well as sections 62 of Centro Habana, 123 and 133 of Guanabacoa, 2,3, and 13A of Playa, and 142 and 143 of Cotorro. Between 2000 [0000 GMT] and 0400 [0800 GMT] on 5 August, service will be interrupted in the Municipalities of Marianao, Playa, La Lisa, Centro Habana, La Habana Vieja, Guanabacoa, Regla, Cotorro, San Miguel del Padron, La Habana del Este, and sections 110 and 111B of Boyeros, and 51A and 49 in Plaza.

Any information on variations in the schedules will be announced.

Robaina Contacts Reflect Bolivian Interest, Affection

FL0408233293 Havana Radio Reloj Network in Spanish 1932 GMT 4 Aug 93

[Text] Foreign Minister Roberto Robaina began the third day of his official visit to Bolivia with an intense schedule of meetings during which he has received repeated expressions of affection for and interest in Cuba and our commander in chief. In a brief dialogue with PRENSA LATINA, Robaina said he knows about the affection and interest which Cuba and its president create in Bolivia because what he has seen in this connection has far surpassed his expectations.

During his exhausting round of contacts with prominent figures from extremely diverse sectors, Robaina answered questions which reflect the interest that exists about our country, its situation, and its ability to get out of its current serious difficulties. In a true marathon of contacts, the foreign minister met with both incoming and outgoing Bolivian ministers.

Health, Sports, Environment Committee of ANPP Formed

FL0308220093 Havana Radio Reloj Network in Spanish 1936 GMT 3 Aug 93

[Text] The committee for health, sports, and the environment of the National Assembly of the People's Government [ANPP] was formed today in Havana. Dr. Carlos Dotres, director of the William Soler Hospital's cardiology center, is president of the committee. The vice presidents are (Ramon Crespo) and (Daniel Cordoniu). The committee has Sergio Pastrana as its secretary and, as members, 42 deputies whose responsibility is to develop activities related to the quality of life of the population.

Among the subjects the committee will deal with are the Family Doctor Program, the medicine situation, healthcare during the special period, and the level of the population's satisfaction with hospitals.

Other main points of interest are: the development of sports among the masses in Cuba, self-financing of the sports sector, and a high degree of success.

Inter-Caribbean

Grenada, Trinidad and Tobago Discuss Maritime Boundaries

FL0508011093 Bridgetown CANA in English 1907 GMT 4 Aug 93

[Text] St. George's, Grenada, Aug 4, CANA—Discussions between Grenada and Trinidad and Tobago on maritime boundaries are proceeding well, according to Grenada's delegation leader, Dr. Carl Mitchell. He said Grenada had ratified the United Nations Law of the Sea Convention, but was in negotiation with its southern neighbour, Trinidad and Tobago, to determine the maritime boundaries.

"These negotiations take quite a while, but talks are progressing well and we have had no surprises," Mitchell told CANA. He said the two Caribbean Community nations were looking at an equidistant and equitable sharing of the marine resources between them. He said there were still "a lot of things to iron out."

It is not clear whether the two sides discussed oil resources during the talks in St. George's.

When the Energy Department of the administration of the late Grenada Prime Minister Herbert Blaize spoke of plans to exploit small deposits of oil well within Grenada's waters off the south coast, the authorities in Port of Spain spurned the idea. To date, no attempt was made to exploit the find.

Haiti

Reshuffling of Army High-Command Posts Noted

FL0408200693 Port-au-Prince LE NOUVELLISTE in French No. 34.592 3 Aug 93 p 1

["Excerpt" from "The Buzz in the News" column: "Transfers Within the Haitian Armed Forces, FADH"]

[Text] We learned from a military source that six transfers have been carried out in the Haitian Armed Forces, FADH:

1. Colonel Joseph Pierre Antoine has been transferred from his post as head of the juridical service to that of chief accountant for FADH.

2. Col. Mondesir Beaubrun has been transferred from his post as commander of the Military Department of the South to that of commander of the Military Department of the West.

3. Lieutenant Col. Coulanges Jumafort has been transferred from his post as director of the transportation service to that of head of the juridical service of the FADH.

4. Lt. Col. Jean-Lucien Cazeau has been transferred from his post as commander of the Military Department of the North to that of commander of the Military Department of the South.

5. Lt. Col. Jean-Claude Josophat has been transferred from his post as commander of the Military Department of the West to that of commander of the Military Department of the North.

6. Major David Bazile has been transferred from his post as assistant commander of the Military Department of the West to that of director of the transportation service of the FADH.

Mediator Finds Blocs Willing To Resolve Senate Crisis

FL0408204593 Port-au-Prince Radio Metropole in French 1045 GMT 4 Aug 93

[Text] A end to the crisis in the Senate of the Republic is expected today. This is, in any case, what can be deduced from statements made at 0600 GMT by senators from both blocs, who were participating in talks at the Montana Hotel under Leandro Despouy mediation. The senators believe that a compromise office in the Senate can be established.

Leandro Despouy stated that he had found willingness in both camps to achieve normalization in the Senate of the Republic. Dante Caputo's assistant in the field did not, however, wish to comment on the statements made by Senator Dupiton last night condemning this initiative.

[Begin recording] [Despouy] Listen! I can simply tell you that it was a very intense day. There were many discusssions and I found a very constructive attitude in both parties. I believe the goal is to achieve just one thing—to formally solve the problem of the office, which is a way of running the parliament. I hope that if there is a solution, it will be not just about the office but also a solution that attempts to create conditions for the definitive running of the parliament. I hope that it is done as quickly as possible. As I said, this goal is not.... [pauses] Both parties are very aware of the urgency and necessity for a solution as soon as possible, and they are working toward a solution that can be as permanent and complete as possible.

[Correspondent Rothschild Francois] Mr. Despouy, was the question of the office the only question raised during these consultations?

[Despouy] Only the issue of the parliament's normalization and the question of the office.

[Francois] Sen. Dupiton issued a note condemning the steps that you have taken.

[Despouy] Listen! I am not aware of it.

[Unidentified reporter] He speaks of foreign interference in the country's internal affairs.

[Despouy] I do not know. I think that each person has the right to give his opinion and to express himself. We are in a situation where there is freedom of speech. Each person has the right [word indistinct] [end recording]

These were comments made by Leandro Despouy at 0600 GMT at the Montana Hotel following a series of consultations between the senators of the two blocs for the purpose of normalizing the situation in the Senate of the Republic. A formal session is expected today in the Senate.

Evans Paul Expresses Confidence in Senate Resolution

FL0408232993 Port-au-Prince Radio Metropole in French 1600 GMT 4 Aug 93

[Text] The resolution of the Senate situation appears imminent. On 3 August, Dante Caputo's representative, Leandro Despouy, met at the Montana Hotel with the senators of the two antagonist blocs. They seem reconciled to forming a consensus office and sharing the posts to be filled. According to Senator Larosiliere, the presidency of this compromise office could be given to the Constitutionalist bloc while the Alliance bloc would take the quaestorship and administration.

The absence of Sen. Dupiton, who considers himself Senate president and who was very critical of this meeting which ended early today, should be noted. The elected Port-au-Prince mayor, who participated in this meeting, called Sen. Dupiton's note untimely. Evans Paul takes this opportunity to admit that progress has been made in the dealings, as evidenced by resolution of the Senate's crisis:

[Begin recording in Creole] We are working toward reaching an accord. The accord is however not completely drafted. We in the National Front for Change and Democracy, FNCD, want to open the situation on a democratic basis. This democratic basis means holding elections in the Senate. That is FNCD's position.

At first, we were in favor of dialogue and negotiation. It did not work. When we agreed to hold elections, the Alliance members backed off. FNCD's position is that all the senators should go to the Senate and the majority would decide who should preside over the Senate.

The Alliance proposes, however, that there be a consensus office, and that they will approve all members of this office. We think there are two positions here: a position favoring elections and a position favoring negotiations. Both proposals seek a solution. There is therefore a basis for dialogue and I believe that from this basis the country will soon find a solution that will result in the end of the crisis.

We would, however, like everyone to notice some untimely statements by Sen. Dupiton. We say Dupiton because we are aware that many senators in the Alliance do not share his position. We have met with many of them who display a spirit of overture. They understand that the complexity of today's situation requires a real concensus in having only one office to lead the Haitian Senate in order to end the country's crisis. [end recording]

Despouy, Senators Meet on Senate Normalization 3 Aug

FL0408151493 Port-au-Prince Signal FM Radio in French 1030 GMT 4 Aug 93

[Excerpts] A meeting on the normalization of the Senate was held at the Montana Hotel on 3 August. Leandro Despouy, political adviser to Dante Caputo, acknowledged that it is difficult to change this situation that has existed in the legislature and country for almost two years. The international mediator's assistant said however that he was optimistic as to the normalization of the Senate in the coming hours. He states that there are positive signs. Obviously, there are numerous difficulties, but Dante Caputo's political adviser remains confident that everything will be normal in the upper chamber shortly. [passage omitted]

Senator Julio Larosiliere is confident that the Senate will become normal again. The senator, who holds the post of quaestor of the Senate branch controlled by the Alliance [for Parliamentary Cohesion], explains that everything can be obtained at the negotiation table. For his part, Sen. Ebrane Cadet hopes against all odds. At any rate, he is ready to make concessions. [passage omitted]

Senator 'Discloses Information' on Colleague's Kidnapping

FL0408212293 Port-au-Prince Radio Metropole in French 1900 GMT 4 Aug 93

[Excerpts] Senator Bernard Sansaric discloses information regarding the disappearance of Senator Judnel Jean. According to Sen. Sansaric, Jean was kidnapped by the Preval government's ambassador in Santo Domingo, Guy Alexandre, with the complicity of Sen. Firmin Jean-Louis. Sen. Sansaric, who just concluded a mission in the Dominican Republic, a mission to return Sen. Judnel Jean to Port-au-Prince, held a news conference this morning in the Legislative Palace, from which our reporter Edner Jean reports live:

[Jean] The statements made by Sen. Sansaric are essentially based on the credibility of information from the Dominican Secret Service. This was the intelligence service that identified Sen. Judnel Jean and revealed that the senator was illegally confined by Ambassador Guy Alexandre after having been kidnapped by Sen. Firmin Jean-Louis. [passage omitted]

However, Sansaric never met with Sen. Judnel Jean during his investigative stay in the Dominican Republic. I could not take my investigation further, he stated. Despite everything, Sen. Sansaric deduced that the kidnapping of his colleague from the Alliance was part of a larger plan, a plan, he says, that nearly killed Sen. Dupiton. The senator finally asked the Dominican Government to assume its responsibilities relating to the presence of Sen. Judnel Jean in its territory. [passage omitted]

Sen. Dupiton's participation in this news conference should also be noted. Sure of himself, the senator reasserted that he would resign only in the presence of all the senators in a ceremonial session. He added today, however, that he was not going to accept, as a candidate for the Senate of the Republic, a senator who did not sign the New York Pact. He spoke, of course, of Sen. Firmin Jean-Louis, who did not sign the New York pact. This will complicate the situation, in view of the hope aroused in the population following the meetings at the Montana Hotel.

Costa Rica

* Trade Deficit To Total $1.1 Billion in 1993

93CA0161D San Jose LA REPUBLICA in Spanish 7 Jun 93 p 9A

[Article by Wilmer Murillo]

[Text] The critical level of coffee prices, and estimated $50 million in lost banana revenues, and an enormous deficit that according to some projections will be around $1.1 billion this year, are causing fears that the economic house of cards may topple.

The trade imbalance, which by May was on the order of $400 million, reflects a critical situation that the Central Bank has not succeeded in controlling, Economist Fernando Naranjo Villalobos said in an interview.

In his opinion, the only reason the country has not fallen into crisis is that it has resorted to heavy foreign borrowing, to compensate for the imbalance.

Other very unfortunate news is that for the third consecutive month inflation, that is, increases in domestic prices, has been around 1 percent or higher, which means that "for the last quarter, inflation has been around 14 percent in annual terms," he emphasized.

For June, inflation was 1.3 percent, in May it was 1.0 percent, and in April 0.87 percent, which is where he obtains his projections, and hence the conclusion that the rate is too high, since this quarter there have been almost no adjustments to the exchange rate, and international interest rates are at their lowest levels, as are oil prices, whence he infers that inflation can only be attributed to domestic causes.

Moreover, it is worrisome to observe growth in private sector credit of more than 50 percent, because the situation will be unsustainable over the next few months, because that credit fuels the fire of imports.

In his view, complicated problems have appeared at midyear. One is the foreign trade imbalance, and a second is inflation that is rising, despite the Government's efforts to artificially contain it by freezing the exchange rate.

In addition, Naranjo pointed out that high interest rates subsidize savers of dollars and colons, which contradicts the Government's liberalizing policies. "Someone has to pay for that lunch," he said.

Finally, Naranjo said he thinks it terrible that after three years of asking sacrifices of the workers to stabilize the economy, the Calderon government refuses to compensate for inflation by raising workers' wages.

It is terrible not to do so after announcing 7.3-percent growth in the economy in 1992, and to speak of an economic bonanza.

Either there is no bonanza, or someone is profiting from it, he concluded.

In the view of economist Dennis Melendez Howel, it has been confirmed that the exchange rate, which is "out of alignment," has become a stimulus for imports. It is a stimulus because the resulting tax reduction has not been compensated for, and because of domestic credit, which in the first five months has grown by 62 percent, a rate that neither economist believes is capable of persisting.

As if it were not important, the Central Bank has lost control of the credit expansion, and is injecting money into the economy, which is going to the foreign sector.

As it stands now, the trade deficit will be around $1.1 billion by the end of the year, he stated.

According to projections, foreign sales will be on the order of $2.1 billion, and imports $3.2 billion, generating a very high deficit.

The Central Bank is raising interest rates, for capital to continue flowing in and to sustain the foreign deficit, when what it should do is permit a gradual readjustment in the exchange rate that at least would tend to control import growth, he explained.

Raising interest rates is, in Melendez's view, like putting water in a bottomless barrel, because capital then flows in, causing the Central Bank to increase credit, making people step up their demand, and imports then rise again. It is a problem that gains momentum like a snowball, he pointed out.

Regrettably, the issuing entity [Central Bank] is unnecessarily complicating the problem, because rather than reducing the trade gap, it is increasing it.

"Of course, the bank's greatest fear is to lose monetary reserves, which on the one hand is not easy, but at the same time we fear increasing the exchange rate because that results in price increases."

Melendez pointed out that last June inflation was higher than in previous months, and projected a 14-percent increase for the next few months going forward, because of a small adjustment in the exchange rate. That is where he lays the blame for the Central Bank's fear that repressed inflation tends to come out, he said.

The error was in monitoring inflation through the exchange rate, because in real terms it continues to be devalued."

He cited an analysis he was doing, which showed the impact of a revaluation on Central America's trade. What is interesting to observe is that, compared to countries of the same size, exchange rates make our exports less competitive in the region, worsening our trade balance, which fell recently after 36 months of being in surplus in the zone, he concluded.

* Jan-May Trade Deficit Totals $400 Million

93CA0161B San Jose LA REPUBLICA in Spanish 6 Jun 93 p 9A

[Article by Wilmer Murillo]

[Text] Last May's trade balance resulted in a deficit of $105 million, bringing the total deficit for the first five months of the year to $400 million, according to a report released by the Central Bank.

May exports totaled $174.3 million, and imports $279.6 million, while from January to May exports totaled $833.3 million and imports $1,227.1 million.

Growth in shipments overseas as of May was on the order of 10.4 percent, while imports grew by 36.7 percent.

With the current trends, the trade deficit could total around $900 million by the end of the year, according to projections.

According to Finance Minister Rodolfo Mendez, major foreign purchases, especially raw materials and capital goods, led to growth in domestic production (GDP) of 5.6 percent in 1993.

However, Central Bank President Jorge Guardia indicated that although higher imports have increased the current account deficit, it is lower as a proportion of GDP than at the end of the previous administration.

Moreover, he said that the country's balance of payments has been in surplus in the sense that the capital account has surpassed the current account, where the influx of private capital for investment has been very important.

As a result, foreign reserves have risen to historic levels, and a good part of the capital that has flowed in has been long-term, associated with productive investment, he said.

Increased interest rates and "sterilization" of the money supply have basically been the two instruments to which the Central Bank has resorted to maintain the balance of payments at a certain equilibrium, Chamber of Commerce President Carlos Alvarado commented.

In his opinion, the bank will achieve its objective of reducing imports, which although always higher than exports, will be compensated by tourism revenues ($550 million), and revenue from free trade zones of $300 million, he said.

He believes that the trade deficit will be around $900 million by the end of the year, although it will be manageable in the short term, since those revenues will fully compensate for it.

Alvarado shared the Calderon administration's belief that the devaluation would be no greater than 5 percent and the exchange rate would be maintained throughout the year without drastic changes, thanks to maintaining an inflow of funds with growing reserves, guaranteed by positive returns from colon-denominated investments.

However, some economists, such as Fernando Naranjo and Dennis Melendez, have indicated that the foreign trade deficit has increased because of an incorrect exchange rate policy.

* Exports, Services Up 5 Percent

93CA0161A San Jose LA REPUBLICA in Spanish 26 Jun 93 p 9A

[Article by Wilmer Murillo]

[Text] Despite declining international prices for coffee, merchandise exports as a percentage of Gross Domestic Product (GDP) are the highest they have been for a decade, the Central Bank reported.

While merchandise exports were 27.1 percent of GDP in 1989, in 1993 they are expected to increase to 28.7 percent, and if tourism is included, to 36 percent.

During the current administration exports of goods and services have risen five points as a percentage of GDP, at a time when the world economy has lost momentum, the Central Bank indicated.

The composition of exports has also changed. While in 1989 nontraditional exports represented 54 percent of the total, in 1992 they were 58.5 percent.

Sales to other Central American countries have also significantly recovered: 13.6 percent of the total in 1992, compared to 10.2 percent in 1989.

Although the increased imports have weighed heavily in the current account deficit, this deficit is a smaller proportion of GDP than at the end of the previous administration.

According to the Central Bank, the country's balance of payments has been in surplus in the sense that the capital account for private investment has been very large.

As a result, the country has seen foreign reserves rise to historic levels, the Central Bank indicated.

However, the most important thing, in the view of the issuing entity, is that a large part of the capital that has flowed in during this administration has been long-term, associated with productive investment projects, something very different from the past, when public debt dominated, and in some years was of short term.

The influx of capital and the fiscal and foreign exchange regime has permitted repayment of the public foreign debt.

The Planning Ministry has established efficiency criteria for entities wishing to incur foreign debt, to identify only projects with high social returns.

Since the 1990 foreign debt renegotiation, total public foreign debt has remained practically unchanged.

While the level of debt to GDP was 73 percent in 1989, it declined to 50 percent in 1992.

Renegotiation of the foreign debt, repayment of the debt, and improvement in conditions have been reflected in a lower proportion of debt service.

While in 1989 debt represented 41 percent of exports of goods and services, in 1992 this had declined to 19 percent, according to the Central Bank.

According to that organization, adoption of the adjustment program and higher imports have resulted in economic growth.

This year the momentum has continued. Central Bank officials estimate that GDP will grow by around 6 percent by the end of the year.

Growth will occur in all areas of the economy, particularly the recovering construction sector (8.5 percent), which is very labor-intensive.

* Inflation Hits 4.68 Percent in First Half

93CA0161C San Jose LA REPUBLICA in Spanish 3 Jun 93 p 9A

[Article by Wilmer Murillo]

[Text] Inflation during the first six months of the year rose to 4.68 percent, while the June rate was 1.30 percent, according to figures released yesterday by the Ministry of Economics, Industry, and Commerce (MEIC).

Should those rates persist, 1993 will finish with an inflation rate of 12 percent, which is within the government's economic targets, said Minister Roberto Rojas Lopez.

The official attributed 50 percent of the June increase to higher prices for fruits and vegetables.

This was the result of the severe, early rains in June, which significantly reduced the supply of certain fresh produce in the markets, he said.

During that month, prices rose for cilantro, rice, cabbage, rent, lettuce, medical treatment, chicken eggs, chayotes, bread rolls, onions, tailoring, cigarettes, tomatoes, electricity, and gasoline.

The main goods for which prices declined were potatoes, processed pork, pork chops, oranges, fish, sweet peppers, processed meat, movies, and prime sliced kidney.

The previous increases in the Consumer Price Index (IPC) were 0.97 percent in May; 1.0 percent in April; 0.35 percent in March; 0.57 percent in February; and 0.41 percent in January.

The IPC showed that year-on-year comparisons of six-month inflation rates fell from 6.77 percent in June 1992 to 4.68 percent in June 1993. However, prices have risen gradually since July 1992 (0.59 percent), to 9.3 percent this June. That is because of the accumulated inflation from one period to the next.

Compared to June 1992, when inflation was 1.23 percent, the IPC this year increased slightly, to just over 1.30 percent.

The index showed a 12.03 inflation rate for the first half of 1992, 14.15 for 1991, and 11.54 for 1990.

* Mideplan Recommends 25 Percent Wage Increase

93CA0161E San Jose LA REPUBLICA in Spanish 8 Jun 93 p 5A

[Article by Jose Alberto Briceno]

[Excerpts] Wage increases for the first half of this year should be on the order of 25 percent, according to the report "Costa Rica Social Perspective 1992" by the National Planning and Economic Policy Ministry (Mideplan), which was provided to this newspaper by Minister Carlos Vargas Pagan.

The report states that in December 1992 a 29.9-percent increase in the minimum wage was needed. At the time, the increase was only 4.5 percent, and for this six months it will be 5 percent, meaning that the adjustment gap is 20.4 percent. But if you add to it 4.68 percent for inflation, the figure climbs to 25.08 percent, a rate higher than that demanded by the workers.

Planning Vice Minister Jose Rafael Brenes said that the situation being witnessed in the streets of the capital leads one to think that such a high increase is unnecessary.

He said that the poorest 20 percent of the Costa Rican population mostly lives on an average of two wages per family, which raises income and permits them to absorb increases in the cost of living.

"The Costa Rican standard of living implies that more than one person must work to satisfy a household's basic needs, and that is not a new phenomenon, but one that has developed over the last 10 years," he said.

In Brenes' view, the Government has carried out intensive efforts so that "at least in the private sector, people living in extreme poverty can fulfill their basic needs," he said. [passage omitted]

The report states that according to last July's Household Survey, 35 percent of the working population reporting income, that is, 298,372 people, had average monthly income higher than the legal minimum wage.

Of those, 67 percent were salaried and the rest were independent workers, "many of them the only income

producers in their families, meaning that there is still an important contingent of the population in very precarious living conditions." It states, "on analyzing the purchasing power of wages by occupational category, the large gaps between the different groups become apparent." While directors, managers, and administrators dedicate one-third of their average monthly income to satisfying minimum nutritional requirements, farmers, ranch workers, and service workers must dedicate 90 percent of their salary to satisfying their food needs.

El Salvador

Commentary Views Suspended Aid for Nicaragua

PA3007142993 San Salvador Radio Venceremos Network in Spanish 1800 GMT 29 Jul 93

[Unattributed commentary]

[Text] Since the 1980's, economic, social, and political problems have closely accompanied the Nicaraguan people. Pressures from the U.S. Government have been felt through these years. Nicaragua again faces a situation that threatens economic destabilization in light of the announcement made by Bill Clinton's government regarding the suspension of economic aid to Nicaragua for maintaining ties with terrorism. Those ties with terrorist activities include a plan to carry out kidnappings, the bombing at the World Trade Center in the United States, and other terrorist actions from groups like the ETA [Basque Fatherland and Liberty Organization].

Earlier in the year, the FPL [Farabundo Marti Peoples Liberation Forces] was said to be responsible for hiding weapons. The scandal broke out after the explosion of an arms cache in Managua. In this regard, the political parties had different opinions.

The Democratic Convergence believes that the decision by President Bill Clinton has nothing to do with the explosion of the arms cache.

Deputy Jorge Villacorta said the suspension of the aid is due to the Nicaraguan Government's negligence, which led to its not discovering terrorist activities. Villacorta asserted that Clinton is not satisfied with the excuses of government officials, who said they knew nothing of the situation. The Democratic Convergence says the FPL is not responsible for this problem. The Arena [Nationalist Republican Alliance] party believes the opposite however.

The explosion of the arms cache is a terrorist action and, thus, is in accordance with the accusations leveled by the U.S. Government. The FPL is very responsible for this and, as an administrative measure, it could separate from the Farabundo Marti National Liberation Front, said Julio Gamero of the Arena party.

Guatemala

President Downplays Incursion of Belizean Troops

PA0408134593 Guatemala City Teleonce Television in Spanish 1900 GMT 3 Aug 93

[Text] President Ramiro De Leon Carpio has said that the temporary presence of Belizean troops in [word indistinct] territory action does not have great importance at this time. The president reiterated that such incursions are to be expected at several border areas that are difficult to [word indistinct].

[Begin De Leon recording] I personally believe.... [pauses] In my opinion, as president of the Republic, I do not believe this is something that can be called a raid on our national territory. If you have ever been to those border areas you will know that there are communications between both sides, that authorities on both sides of the border help each other many times, domestic reporters have been taken to those areas several times, and that it is difficult to establish the dividing line between one country and the other.

According to the information I received, the incident was not a warlike or offensive raid; rather, I understand that it was just that the Belizean troops crossed the border. This is how I understand it. I also know that our authorities, both civilian and military, have also crossed the border at some time and found themselves in Belizean territory. This is the information I have. Thus, at this time, we sincerely do not believe we should give so much importance to the incident. [end recording]

* Congressional Reform Movement Falters

93CA0164A Guatemala City CRONICA in Spanish 16 Jul 93 pp 31-32

[Article by Jessica Garcia Kihn]

[Excerpts] The old "cornerstones" of the Congress trembled before the purge. Driven on by the people's clamor, the members of the National Consensus Instance (INC) shouldered their pickaxes, ready to bring down the wall erected by corruption. Their efforts were in vain, however, because only 63 deputies symbolically resigned. The rest resisted the cleanup and blocked the INC's work. Facing legal trammels, it decided to rebuild the structures instead of demolishing them, supporting those deputies who propose to reform Congress's Organic Law and Internal Bylaws.

Parallel Tactic

The withdrawal of the Christian Democrats (DC) from the INC made the members of that body realize how difficult it would be to achieve a purge of Congress. Many now believe that the only legal way to make a clean sweep is for President Ramiro de Leon Carpio to call for a referendum. However, the INC has not formally requested one and continues to wait for the resignations of the Christian Democrats, UCN [National Union of

the Center] dissidents, and members of the Guatemala Bench. In the meantime, deputies such as Obdulio Chinchilla and Diego Velasco Brito have begun to claim that the body has become politicized. "Even though its function is one of reconciliation, it has become a political party that defends some and attacks others. It is a means of revenge," says UCN dissident Mario Alfonso Gaitan.

Given the impossibility of obtaining the necessary 116 resignations, deputies belonging to the INC are trying to reform the Organic Law and Internal Bylaws in order to achieve a reorganization and cleanup of the Legislature. However, in order for the reforms to take effect, they require the backing of 59 deputies, half plus one. The INC is confident that the members of Congress who resigned symbolically will pledge to back the reform. "On Tuesday, 6 July, the 63 consenting deputies were called upon to resign and sign a pledge to reorganize and clean up the Congress. However, the date chosen was not suitable because it was the day on which the body questioned the finance minister, as a result of which only 23 signatures were obtained," explained Juan Francisco Alfaro Mijangos from the Bench for Change.

The idea of modifying the congressional rules of play is not new. "For over two years, we have proposed to change the rules of play in the plenary session because they are totally outdated. However, the commission appointed at the time was sabotaged by Catalina Soberanis," says Francisco Reyes Lopez from the Guatemalan Republican Front (FRG). Among the amendments proposed by the deputies belonging to the INC is the creation of an organ to manage resources and have it audited by the comptroller and an outside firm. They also include deductions from the salaries of deputies who fail to attend. Any absence from plenary sessions would be penalized by a 70-percent deduction from the daily stipend, while 30 percent would be subtracted for absences from committee meetings. A two-month absence without authorization from the full Congress would cause the alternate to be summoned. The administrative organ would be responsible for hiring personnel based on technical criteria in order to prevent the establishment of a "good-old-boy" system. [passage omitted]

New Issues

The cleanup no longer occupies center stage. Sectors belonging to the National Consensus Instance have now turned to such issues as the participation of the Mayan peoples in national life, issues which, while vital, divert their attention from the motto that united them following the political crisis resulting from Jorge Serrano's "do-it-yourself" coup. Participation of the private sector, one of the backers of the purge, has weakened because of the move by a number of deputies to veto proposals such as fiscal crime and the liberalization of certain imports. A number of members of Congress claim they decided to cancel the financing in order to promote, via the media, the need to purge government agencies.

Legal obstacles and the refusal of 53 deputies to resign in order to make way for the purge have forced the INC to use a parallel tactic aimed at putting an end to the anarchy reigning in Congress. Approval of reforms in the Organic Law and Internal Bylaws could improve the Legislature's image.

Honduras

President Callejas Attends Rally for Ramos Soto

PA0308210693 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 2 Aug 93

[Passages in italics recorded]

[Text] President Rafael Leonardo Callejas has joined the political campaign of the National Party of Honduras [PNH]. During a rally at a Tegucigalpa neighborhood on the evening of 1 August the president confirmed his total support for Oswaldo Ramos Soto, whom he described as the next president of Honduras.

President Callejas' appearance at the 1 August rally for attorney Jose Oswaldo Ramos Soto came as a surprise. There had been persistent rumors over the past few days to the effect that Callejas would not support Ramos Soto and that were it possible to help Carlos Roberto Reina he would not hesitate to do so. Rumor even had it that he could not get along with Ramos Soto. On 1 August, however, the opposite happened. President Callejas arrived saying that he wanted to confirm his total support for Ramos Soto.

[Callejas] *I must confirm in a clear, absolute, and convincing manner that the next president of Honduras, for the unity of the party, is Oswaldo Ramos Soto. [applause]*

Of course there are individuals who have created uncertainty and raised doubts regarding the pledges made by many of us regarding Oswaldo Ramos Soto's presidential candidacy. It is my personal pleasure to endorse this presidential candidate because I know Ramos is a man who will strive to properly guide the course of the country's destiny.

Callejas also said that on election day he would even be willing to show his vote to those who have raised doubts.

[Callejas] *For those who may still have doubts, on the final Sunday in November I may have to show them when I place an X under the photograph of Ramos Soto to prove my commitment to help the PNH gain its second great victory for the fatherland's good.*

Callejas also spoke of Carias, Callejas, and Oswaldo.

[Callejas] *(?Marcio) Carias Sandino received the presidency with 50 centavos in the national treasury; in 1989 Rafael Leonardo Callejas received the national treasury*

with minus 900 million lempiras. I will not leave those debts for Oswaldo Ramos Soto. I have paid all past debts and today this nation is debt free and Ramos Soto can establish a route to develop a social (?plan) that will contribute to tangible improvements for Honduran families, women, youths, and children.

Here in public, as I look to you as the next president of the Republic, I must say that I am convinced by the presence of this multitude that you are making a pledge. However, you will not have to carry out this pledge with an empty treasury or with bothersome foreign debts. [applause]

You will not do it without oil supplies, but above all else you will do it in a Honduras that is setting a pace that will not require the president of Honduras to go on 18 April to El Paraiso to tell the Nicaraguan counterrevolutionary forces that they are not welcome in Honduras.

To conclude, the president attacked those who might criticize him for attending a Ramos Soto rally.

[Callejas] *During my political life I have had few moments of satisfaction similar to tonight's because I could come here knowing that many, a minority because we are the majority, would not like me to attend this political rally. [applause]*

(?I have come here as a full citizen) to support a man who will go down in Honduran history as the man who won the second great PNH victory and who will stay the proper course because the entire nation knows that the thing to do is make Oswaldo president; the next president of the Republic of Honduras.

The president closed his speech in this manner:

[Callejas] *A very warm embrace for each of you and for the next president of Honduras an embrace that contains the present and future so that we will not return to the past.*

Callejas Discusses Electoral Tribunal Budget Increase

PA0308205693 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 2 Aug 93

[Interview with President Rafael Leonardo Callejas by Danilo Izaguirre at the National Electoral Tribunal in Tegucigalpa on 2 August—recorded]

[Text] [Izaguirre] President Rafael Leonardo Callejas will meet on 2 August at 1100 with members of the National Electoral Tribunal [TNE] to discuss aspects of the president's addition of several million lempiras to the electoral process budget or, in other words, for that electoral body's expenses.

[Callejas] I have been cordially invited here by the TNE directorate's president, Juan Ramon Martinez. I will discuss with them the development of the electoral process and accept their invitation to contribute, as best I can by way of the executive branch, to this great Honduran civic event to elect the next president, deputies, and mayors on the last Sunday in November 1993.

[Izaguirre] Mr. President, are you satisfied with the purge that has been initiated at the TNE and the Civil Registry?

[Callejas] My government made a commitment and it has provided the TNE with the economic resources and support it requested. The TNE manages its own internal issues, but, like any other citizen, I can take pertinent action to obtain documents I may need. There can be no question that at election time the TNE always becomes the hub of political events. Some political leaders forget, however, that they are full members of political parties. No one has more duties at the TNE than the political parties and, therefore, they are responsible for the process. This is why I am sometimes surprised by the contradictions seen in Honduran politics: While the TNE is administered and directed by the political parties, those very parties, or some of them, are always criticizing its resolutions or actions.

[Izaguirre] Is your economic support a given, Mr. President?

[Callejas] Absolutely. We have budgeted 8 million lempiras more than the TNE had originally requested because we knew from experience that electoral dynamics dictate the need for increased resources during an election year. I was informed by the TNE president that his organization would require 12 million lempiras more, and I told him that I would be more than pleased to fulfill his request.

[Izaguirre] Mr. President, does your government support the initiative to reform the electoral and political parties law with a view to allowing all the sectors in the country to register as already organized political parties if they meet the requirements and to participate in the electoral process?

[Callejas] That request was made a long time ago by many sectors. I support it and the proposal has been sent to Congress, not only on behalf of these groups but for anyone who meets the requirements established by the law. The current economic requirements are very high however. You must remember that the parties must publish the lists of signatures of individuals requesting the party's registration in private newspapers and other written news media, including the GAZETTE, and this costs almost 400,000 lempiras; therefore, we must take action to allow these publications to guarantee true pluralist openness for the political views of citizens who do not share the views of the four existing parties.

[Izaguirre] Does this mean that democracy will be strengthened by the inclusion of all the sectors that want to participate in the presidential race?

[Callejas] There can be no question. Although I faithfully believe that the two-party system will prevail and that

bipartisanship will grow, we should not deny anyone, who for any reason disagrees with the PNF or the Liberal Party, access to the elections.

[Izaguirre] Mr. President, to conclude I have heard reports to the effect that there is a movement within the PNH to form groups that might hinder the party's chances of winning the elections.

[Callejas] I was informed about this by Deputy Efrain Reconco Murillo who told me that, on the contrary, these groups support Jose Oswaldo Ramos Soto and are not seeking any public post. The groups in question only want to confirm that although they are not seeking public office they are committed to the presidential candidate and to the PNH's quest for a second great victory.

[Izaguirre] Then they are not trying to create chaos within the party?

[Callejas] Absolutely not. It is the exact opposit , at least this is what I have been told and I have no reason to doubt what Efrain Reconco Murillo has told me.

Nicaragua

Government Minister on Plan for Rearmed Groups

PA0408200093 Managua Sistema Nacional de Television Network in Spanish 0230 GMT 3 Aug 93

[Passages in italics recorded]

[Text] Government Minister Alfredo Mendieta today granted the local and foreign media a news conference on how the plan to guarantee life and work is functioning. He said that at this point there are 1,082 members of armed groups in the security zones. He also indicated that the government expects Interpol to respond soon to a proposal for the creation of an international commission that whould investigate the case of the Santa Rosa [word indistinct], which has caused serious problems of the Nicaraguan Government.

Of the nine security zones established by the government, four have already been occupied by rearmed people. There are also six temporary security zones.

[Mendieta] *At this point, 1,082 members of various rebel groups operating in the country are in security zones. This is very satisfactory because we estimate that the groups that were operating in the various sectors constitute approximately 1,400 or 1,500 men. As a result of demobilization, 348 people have surrendered their weapons and accepted the demobilization plan proposed by the government.*

The government minister said that neither Frank Ibarra nor Pedrito el Hondureno can benefit from the amnesty that the National Assembly will probably approve this month.

[Mendieta] *In the case of the FPI [Leftist Punitive Forces], we have reports that this organization has entered a security zone. We believe that they can benefit from the amnesty but not Frank Ibarra or the other people who claimed responsibility for the death of Dr. Sequeira because right now there are legal proceedings against them and a sentence is about to be issued. Now, it will be the judicial authorities who will determine what the legal status of these people will be. Once their legal status is established, action will be taken with emphasis on what the judicial authorities determine.*

Regarding the progress of the plan to guarantee life and work, the government has expressed its satisfaction. The amnesty proposal for the rearmed groups continues to be a pacification tool for the government. Now it is only waiting for the Legislative Assembly to approve or reject this proposal.

[Mendieta] *In our opinion, the program is progressing very well. We are very satisfied with the results. If this continues and if the Legislative Assembly grants speedy approval to the amnesty plan, we can conclude by 31 August, as foreseen, the complete demobilization of those people who have accepted the plan.*

Government Minister Mendienta rejected statements by Farabundo Marti Peoples Liberation Forces [FPL] members who have stated that their involvement in the Santa Rosa incident is a bilateral matter between the FPL and the UN Observers for El Salvador [Onusal].

[Mendieta] *I want to categorically state that this government cannot accept a statement of this sort because the party most adversely affected and the one which has paid the highest political price for irresponsible and criminal action by the FPL is the Nicaraguan people. This government will not assume the cost this represents.*

The case against those responsible will be reopened.

[Mendieta] *I will be holding talks this afternoon with Deputy Attorney General Maria Francis Blandon to open the case against Messrs. Samayoa and Guardado. They are the masterminds who accepted responsibility for the Santa Rosa weapons cache incident. I want to clearly state our concern regarding the statements issued by those FPL leaders or FPL members. Our government is going to continue with this case and not consider it closed, rather we believe there is still much more to be said regarding the Santa Rosa weapons cache."*

The government minister said that Nicaragua is suffering serious consequences as a result of this foreign group's irresponsibility. The most serious consequence is the U.S. Senate's request to suspend aid to our country until President Bill Clinton declares that no Nicaraguan Government authority is involved in international terrorism.

[Mendieta] *We believe the government has made every effort possible to demonstrate this government's political willingness and complete separation from any terrorist*

criminal acts of this nature. Not only are we removed from these actions, we are clearly hunting down all those sectors that continue to be involved in any way in this type of activity.

The Nicaraguan Government has requested the organization of an international commission to establish responsibilities in the caches case [words indistinct] Nicaragua, the necessary investigations to clear up the facts.

[Mendieta] *I totally agree with President Chamorro that the previous government fostered political opportunities for international terrorist style organizations to be established in our territory and we are paying the price as a result. Nevertheless, we are also very sure that in the particular case of the Santa Rosa weapons cache the FPL authorities and the former Basque Homeland and Liberty members were largely responsible for the weapons cache and documents found there. This, of course, calls for a serious investigation. We believe that the international investigation will yield important results, and, I repeat, we are willing to abide by and implement all the recommendations made by the commission.*

The government minister's comments coincided today with statements by General Humberto Ortega who said there are more weapons caches in Nicaragua.

[Mendieta] *Today I am sending a letter to the five organizations that comprise the Farabundo Marti National Liberation Front for them to sign a commitment with our government stating that they do not have weapons caches in our country. If weapons caches do exist, they should make a commitment to immediately turn them over; otherwise, we will report this to the international community so that these groups are severely penalized.*

In spite of the Nicaraguan Government's willingness to clear up the events, two letters confirming the above mentioned decision on aid were presented: one from the United Nations and the other from the U.S. Embassy charge d'affaires in Nicaragua.

[Mendieta] *Since 31 May, Onusal has acknowledged the Nicaraguan Government's efforts in the investigation process of the Santa Rosa cache. Among other things, it has stated: At the same time, I want to congratulate you and your team, as well as the police authorities, for the speedy and intelligent fashion in which the corresponding investigation is being carried out. We want to offer our full cooperation to clearing up this matter. This is an impressive letter from Onusal signed by Agusto Ramirez Ocampo, special representative of the UN secretary general.*

We have here another letter, signed by Mr. [name indistinct] from the U.S. Embassy in which he states the following: My sincere thanks for the permanent cooperation and efforts you have offered in the investigation of the Nicaraguan passports found in New York. As you know, this investigation is very important, as it is related to one of the most serious terrorist actions in U.S. history. Your replies to our many request have been timely and of great help for the U.S. Government's investigations.

This clearly demonstrates what has been our government's political willingness to cooperate in these matters, and in this case, we believe it is unfair to want to punish the Nicaraguan Government for its high sense of responsibility. The truth is that had we wanted to hide the evidence we could have hid the evidence perfectly well and no one would have known about it. Nevertheless, what we are trying to do is establish a very big difference between what the previous government might have done and this government's own responsibility.

During the news conference, the government minister repeatedly expressed the government's willingness to clear up the Santa Rosa cache incident and to apply the law to those responsible for these terrorist actions.

Minister Says Reserves Unaffected by U.S. Aid Cutoff

PA0508020093 Managua Sistema Nacional de Television Network in Spanish 0230 GMT 4 Aug 93

[Report by Erica Ramirez; passages in italics recorded]

[Text] Economy Minister Pablo Pereira reported that the (?disbursement) of foreign resources has not stopped in Nicaragua so the accumulation of monetary reserves has not been negatively affected. According to the minister's statements, Nicaragua has enough monetary reserves.

[Pereira] *Monetary reserves are obviously a result of the disbursment of foreign resources. Resources have not failed to arrive on schedule, to the contrary, the famous U.S. aid frozen for 10 months began to arrive a few weeks ago. The sum of $40 million had been withheld for some time but it was received [words indistinct]. Therefore, reserves have not been negatively affected by the U.S. Senate amendment.*

He said international organizations share the Nicaraguan Government's concern about the Senate's position.

[Pereira] *There is obviously concern about the possible consequences but international organizations currently face no limitations. In fact, I signed a $46 million credit on behalf of the Nicaraguan Government on 3 August.*

Talking about other issues, he said there are plans to plant approximately 160,000 manzanas with beans this year.

[Pereira] *The issue here is the number of manzanas to be planted and how many will be allocated to this crop. Let us remember the number of manzanas we manage to plant is one thing and the number of manzanas that receive financing is another because there can be problems with the procedures or the collateral. In other words, the usual financial problems we have had. Nevertheless, people do not say: I will not plant. People have their*

expectations of the crop and the financial system will try to meet their financial needs as much as possible. The agricultural table will provide more details on 8-9 August to assess the situation.

He said the government will request that the first meeting with economists be held on 16 and 17 August.

[Pereira] *The invitations will be issued to economists who represent certain groups and others who will attend in a personal capacity. We are interested in hearing proposals, opinions, and suggestions they may have to improve, adjust, and perfect our economic program, knowing we have any given number of limitations. This includes economic limitations, which can preclude the successful development of an economic program."*

* Constitutional Reform To Reactivate Economy

93CA0159C Managua BARRICADA in Spanish 2 Jul 93 p 11

[Bayardo Arce C. Commentary]

[Text] By virtue of its policies, the Chamorro Government has produced an inflation of "blah-blah-blah" meetings known as the "Dialogue Rounds" which, as we predicted, have ended up devaluing dialogue as an instrument for solving the agonizing crisis in which the country finds itself.

This has been demonstrated by the poor results of the multisectorial meeting pompously known as "Modernization of Government Institutions," participation in which dwindled down to four participants. It produced nothing more than an implicit statement that no agreement could be reached and that, consequently, in a week the government will make public its interpretation of the consensus (?) [as published] achieved.

This disheartening result is nothing more than a new twist in the vicious cycle which the crisis in the country has become. After all, in a week, the reaction of the different sectors could be that they do not feel interpreted by the government with which they were unable—precisely two days ago—to reach agreements because it was not receptive to its partners.

The will to engage in a dialogue and search for solutions to the crisis demonstrated by the different sectors of the country and the FSLN [Sandinist National Liberation Front] in particular would once more be mocked and therefore, national hope even more damaged.

It is therefore urgent to seek practical, effective solutions to this stagnation in national life which, as we all know, has the greatest impact on the economic paralysis with its resultant aftermath of unemployment, poverty, hunger, insecurity, and even the bankruptcy of businessmen of almost every size.

The answer does not seem to be as simple as moving up the elections or a Cabinet shakeup. Nor should we have a new call for pressure on the government to correct the direction of its erroneous policies.

Pressure, a Vicious Cycle

In the final analysis, this is precisely what the various economic, social, and political sectors of the country, as well as the FSLN, have been doing in different ways.

Even if it is fair and objective, such pressure unfortunately only turns into another vicious cycle, since when the government "pretends to be listening," agrees to yield, and signs agreements or makes promises, it ends up not keeping them because its sole inspiration seems to be satisfying its international and foreign interlocutors.

In no way does this statement attempt to discourage the people's fighting spirit because, in the final analysis, every sector does and must continue to do what it can, like the former soldiers who have been at the Red Cross for more than two months waiting for an agreement to be kept; cane workers mobilizing for their jobs; merchants protesting over closures and fiscal fines; and even those rising up in arms who are sinking further and further into the abyss of their erroneous method of pressure without anything happening in the country.

However, the truth is so obvious that even the bishops bemoan the decay and deterioration in the country, noting that in the face of "this extremely grave situation, an attitude of indifference or apathy is spreading uncontrollably among the citizens. We would seem to have lost even our capacity for indignation."

That is why it is necessary to accompany the struggle and social pressure (which "rolls off" the government's back) with effective action. The only possible solution, within the framework of the law, is to force the government to share the making of fundamental decisions for the country through a partial reform of the constitution.

Only to the extent that the government is forced, via constitutional reform, to submit to the Legislative Assembly all agreements with international, financial, and other organizations, and that it passes concrete mechanisms of tax, fiscal, credit and economic policies in general, will society have an opportunity to effectively express opinions about that which in the long or short run will affect it.

Constitutional Reform Required

If a constitutional reform creates an economic planning agency with the participation of the main economic and labor agents in the country, the different social sectors will have an effective representation in what would be a real dialogue, officialized not for the purpose of endless rhetoric, but in order to listen and be heard.

This road is not endless. Such reform does require approval by two legislatures, but the first could come before the parliamentary recess of December of this year and the second in the first month of the following year and thus have an effect on the nation's course.

This is unquestionably an important issue and it may concern sectors of Sandinism, which know that the far right in the country has been backing a constitutional reform that will take us back to the political and legal framework of Somocism.

However, what is important is to design it and begin to debate it. Whatever the case, the FSLN has been emphatic in pointing out that it is not frightened by, nor will it be closed to constitutional reforms.

The difference is that the Sandinists are seeking constitutional reform in order to revive production and the economy and unfetter the country, while others have their political agenda. We must trade positions and seek the appropriate synthesis that will truly foster the modernization of the government so that the country may move ahead. Whatever the case, a constitutional reform requires a correlation of forces that makes Sandinism indispensable.

What is unacceptable, for the sake of a "very ruling party" interpretation of national stability, is for the country to remain adrift until, in January 1997, the Chamorro Administration turns the government over with a Nicaragua in ruins.

That is the road we are on, not only because of our economic decline, but also the other decisions that the government is making behind the nation's back. As the people say, "At this point, the only thing that can happen is for us to be struck by lightning or peed on by a dog."

Such a dynamic is leading us to the "Lebanon-Haitianization" of the country, with an economy in a state of collapse, CIAV [International Support and Verification Commission]-OAS missions, camps of *gusanos* [reactionaries] and Contras, mail drops and scandalous operations of foreign movements, Recontras and Recompas, private mini-armies resulting from the privatization of public security, and even UN troops in the country.

* FSLN To Lead Country in 1996

93CA0156A Managua EL NUEVO DIARIO in Spanish 26 Jun 93 p 4

[Editorial: "The FSLN's Decisive Hour"]

[Text] For more than three years now the FSLN has been making a decisive contribution to the rule of law in Nicaragua. For more than three years this political party, the most influential in the country, has been fighting to establish and consolidate democracy against the reactionary fascist forces that plot coups and seek destabilization and against an inconsistent, capitulating government.

But the time has now really come for the FSLN, which represents the needs and aspirations of the Nicaraguan people, to step forward and, with the historic vigor that has characterized Sandinism, to occupy the place of honor (because it is a question of principles) in the country's struggle to regain the dignity that it lost to the foreign conqueror, so that it does not once again become the untouchable province of a privileged few and a sanctuary for perjurers and traitors.

Although the Sandinist Front has not stopped identifying with the people and their legitimate rights during the aforementioned three-year period, pursuing tactics that, while difficult, were not without their strategic foundation, the time that has passed demands of its leadership and rank and file an increasingly tenacious, independent, and vigorous struggle consistent with the outcry from the people and that prevents confusion among the masses, who are apt to believe the right wing's rigmarole about an alleged joint government with Dona Violeta.

The fact is that only an irrational individual could stay close to a discredited, incompetent, devious cabinet that cheats, that makes commitments that it does not keep, that uses the language of civilian rule to impose a financial dictatorship, and that has a single, unchanging goal: to benefit an affluent minority, in keeping with the worldwide strategy of the IMF and its genocidal "adjustments."

This is why the best homage that we can pay to Carlos Fonseca on the anniversary of his birth is to take that step forward as Sandinists, trusting that the people, with appropriate guidance, will in 1996 be able to put an end to a government that has clumsily defrauded it and to return to the path of representative, participatory democracy by electing the party that embodies its fundamental interests.

Hence, unless the FSLN adopts right now the forceful approach that people are expecting of it, the electorate may again vote for chains. Preventing such a tragedy is the unavoidable duty of a party of democratic principles. So let's get on with it!

* 'Servile' Privatization Agreements Criticized

93CA0156B Managua EL NUEVO DIARIO in Spanish 28 Jun 93 p 4

[Sixto Rene Hidalgo Lopez Commentary: "What an Awful Government!"]

[Text] A government that denies its people the right to life, the right to housing, the right to a job, to education, and to health care cannot be democratic.

How many enterprises have gone under?

The policy of government officials has been to sell them off at ridiculously low prices and then become shareholders.

Montelimar, whose building is worth 20 million, was sold by Dayton Caldera for $5 million on credit. More than 100 heads of household were left without jobs, without 25 percent ownership rights.

All hiring in ministries and government agencies was recently frozen, leaving some 5,000 workers vulnerable.

Mr. Emilio Pereira did something equally obsequious in endeavoring to give away $21 million to the Rosario Mining Company. Exactly the opposite should have been done. Such companies ought to be sued for plundering our mines and taking advantage of the cheap labor of workers, many of whom were buried in dark tunnels 50 meters underground when they collapsed, while the ones who are still alive sustained injuries and suffer from various maladies.

How can $21 million be given away to criminals like this? This U.S. company owes Nicaragua $168 million in the form of tax evasion, delinquency, fines, and other crimes over a span of several decades; a suit was in fact brought against it in Mexico in 1986.

The money that the company owes, plus the money that this government is going to give it, totals $189 million, which could be used here in the country to solve the many problems plaguing the people, such as loans to farms and industry, for schooling, and to supply hospitals.

Panama

Comptroller General Warns of 'Bleak' Financial Outlook

PA0408144393 Panama City LA PRENSA in Spanish 2 Aug 93 p 2a

[Article by Hermes Sucre Serrano]

[Text] Comptroller General Ruben Dario Carles has warned that a "bleak outlook" lies ahead for Panamanian finances if pressures continue to be exerted to increase wages, subsidies, special exemptions, and to reduce tax collections.

Carles said that the National Treasury cash shortfall amounted to $26.3 million in just the first semester of 1993. This information is reflected in the Central Government Public and Financial Sector Budget Implementation report up to 30 June 1993.

The foregoing is due to the fact that tax payers settled the amounts due with the following: Tax Credit Certificates (CAT) worth $5.2 million, preferential interests worth $7.4 million, and fiscal checks amounting to $13.7 million.

Public finances are affected because the government, as an incentive, grants exemptions and allows taxes to be paid using various types of certificates and credit vouchers, which are good for settling various types of taxes, and this produces considerable fiscal sacrifices.

The government granted $131-million worth of tax and customs duty exemptions in 1990, $138 million in 1991, $148 million in 1992, and $69 million during the first semester in 1993. The main beneficiary of these exemptions has been the industrial sector, which was granted exemptions worth $121 million in 1990, $116 million in 1991, $133 million in 1992, and $63 million during the first semester of 1993.

In addition to these exemptions, each day it becomes more significant the amount of taxpayers who make payments into the National Treasury using more recent vouchers, especially CAT's, credits from preferential interests, and fiscal checks.

According to the Comptroller General's Office report, the government has taken measures that affect collections such as oil tax reductions, the elimination of the ITBM [Personal Property Transfer Tax] on school uniforms and supplies, and the reduction of import duties for cars, spare parts, and parts.

In addition, these measures include a reduction in import duty for microcomputers and their parts, and a reduction in the import duty for assembly-related activities.

Likewise, import duties have been reduced for medicines, and the threshold for personal income tax payment has been raised. Other factors that affect collections are the replacement of specific import duties for ad valorem charges, liquid gas subsidies, compensation paid to the Social Security Fund for the return of the second payment of the 13th month bonus, and electric power rate subsidies to the industrial manufacturing sector.

Carles also warned that the negative effects of the recent Chiriqui Land Company strike will be felt as well as the reduced banana export tax as a result of EC restrictions.

Regarding public expenditures, the Comptroller General said that these tend to increase, especially due to increases in the payroll, which in 1993 increased $1.2 million a month compared to 1992 and a $4.6-million increase over 1989.

"Payroll costs increase while the number of employees drops due to the increase in salaries established by special rules and laws," Carles disclosed.

The comptroller general said that "if pressures to increase wages continue, which means increased expenditures, and collections do not increase due to the foregoing reasons, we can only say that Panamanian public finances are nearing a bleak outlook."

Carles mentioned the increase in the number of contract workers and the payments that have to be made as compensation for voluntary retirements, which appear to reduce the payroll, but in effect are an advanced public expenditure that is not included in public sector salary expenses.

To all of the above, Carles said, we need to add the pressures exerted to improve and increase public services and public debt commitments.

Argentina

Government Seeks To Unlock Border Agreement With Chile

PY0508010593 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1631 GMT 4 Aug 93

[Text] Buenos Aires, 4 Aug (NA)—Argentina reportedly is willing to include three protocols to unlock the southern border agreement with Chile, although the proposal will not be made until after the October elections so they can be debated by the "new" deputies that will comprise the congressional committees.

Although it was not officially confirmed, it was leaked that the protocols reportedly refer to the course of the Encuentro River, another says that no precedents will be established, and the contents of the third were not disclosed.

Argentine Foreign Minister Guido Di Tella and Chilean Foreign Minister Enrique Silva Cimma will be in charge of presenting the protocols.

These protocols reportedly will seek to neutralize the Argentine and Chilean legislators' main objections to the agreement signed by Presidents Carlos Menem and Patricio Aylwin regarding the continental glaciers.

The Argentine-Chilean agreement establishing the boundaries on the continental ice fields was signed on 2 August 1991 to end an ongoing dispute.

Three mechanisms were used to solve the 24 pending border problems: 22 points were solved by setting the limits at the summit, between the mountain slopes; in the case of the continental glacier the conflict was settle through an agreement between the two countries; and the case of Laguna del Desierto was subjected to arbitration.

The agreement was rejected by legislators from the two countries and, therefore, the subject has been stagnant for the past year.

Di Tella Denies Plan To Amend Border Treaty With Chile

PY0508021493 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2213 GMT 4 Aug 93

[Excerpts] Buenos Aires, 4 Aug (NA)—Today, Foreign Minister Guido Di Tella emphatically denied that the Argentine Government is promoting an amendment to the border agreement with Chile regarding the continental glaciers, which has been awaiting ratification by the national Congress since last year.

Di Tella commented that the government "has no intention of including amendments to the treaty nor has it raised the issue," and denied the existence of three protocols in this regard. [passage omitted]

This afternoon Di Tella denied the reports and stated that the government "has no intention of including amendments in the treaty on the glaciers that is now in Congress."

The foreign minister said that the final decision regarding the treaty "is in Congress' hands," and noted that "it is a very complex decision." [passage omitted]

Menem Advocates Referendum on Constitutional Reform

PY0508020193 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1826 GMT 4 Aug 93

[Text] Buenos Aires, 4 August (NA)—President Carlos Menem today stressed that "by doing away with debt-ridden state-owned enterprises, we have eliminated very important pockets of corruption."

Menem also stated that "the project drafted by the Justicialist Party on reforming the national Constitution will be disclosed to Argentine citizens in due time," although he said: "We are not going to touch the substance of the Constitution in the least."

Menem said that "except for its substance," the national Constitution "must be updated, must be improved; the Argentine Republic must be given greater opportunities in this modern world so it can be quickly reinstated in the world and continue to grow."

With regard to a plebiscite the government intends to hold, Menem pointed out that it will be instrumental in "making the people voice their opinion on the need to effect a constitutional reform."

As for the characteristics of such a reform, Menem explained: "Even though the substantive part should not be reformed, it must be made compatible with modern times."

The president told Radio Municipal: "All the peoples of the world are reforming their constitutions. The staunchest critics of this model, of this new and prosperous Argentina, which is fighting for a place in the sun, are precisely those who left our country in ruins."

"They are those who left behind a legacy of a 5,000 percent annual inflation rate and a monthly inflation rate that ran at 300 percent," he added, obviously alluding to Raul Alfonsin's administration.

Having praised the work accomplished by members of other political parties who are government officials, Menem underscored that this proves "how important it is to put an end to this issue about whether a politician who does not belong to the ruling party should be part of the government or at least be considered for a government post."

"This is why the hiring of Adelina (D'Alessio de Viola) and Maria Julia (Alsogaray) helps to take another course, to write another history," he underlined.

Menem noted that "by doing away with deficit-ridden companies that were still controlled by the government, we have eliminated very important pockets of corruption."

He then wondered: "When did we enjoy a 15-percent reduction in electricity rates in Argentina?"

Menem pointed out that a comparable reduction can be seen in international communications, while oil prices have been stable for three years.

Bolivia

Congress Elects Sanchez de Lozada President-Elect

PY0508034993 La Paz Television Nacional Network in Spanish 0329 GMT 5 Aug 93

[Live relay from Chamber of Deputies on voting for Bolivian president-elect]

[Text] [Unidentified Chamber of Deputies announcer] The vote result is the following: Gonzalo Sanchez de Lozada, 97 votes [applause and shouts]; Carlos Palenque, 16 votes [applause]; and blanks votes, 42. [applause] This gives a total of 155 votes.

[Congress President Luis Ossio Sanjines] In accordance with the constitutional mandate, I proclaim Gonzalo Sanchez de Lozada president-elect. [applause and shouts]

Brazil

Federal Police Chief Romao Interviewed on Government 'Corruption'

PY0408221193 Sao Paulo FOLHA DE SAO PAULO in Portuguese 2 Aug 93 Section 1 p 8

[Interview with Federal Police Director Wilson Romao by Otto Sarkis and Luiz Antonio Novaes in Brasilia; date not given]

[Text] [Romao] President Itamar Franco is a calm individual, but the world has fallen on him. While he was vice president we suggested that as [President Fernando] Collor's impeachment process continued it would be a good idea to prepare a cabinet. Franco would not violate his ethical principles: He used to say: "I will not predict the fall of the president."

[FOLHA] But you tried to prepare one anyway, is that true?

[Romao] He did not allow it. You do not know the man. It is only logical that he has his ideas about how to govern but it was only on the day Collor was impeached that everybody went crazy and Franco began to discuss this issue.

[FOLHA] What was your job then?

[Romao] I was charged with evaluating the situation.

[FOLHA] Did you tell Franco that Collor would be impeached?

[Romao] Yes. He gave me the job because he said he was not getting any information. Franco is eager for information. He wants to know everything that goes on around him. He used to say: "Look, suddenly and very remotely I feel I just might have to take over the government." That was before Collor became worried. I began about eight months before Collor left, early in 1992 during the crisis involving Antonio Magri right after the crisis over Alceni Guerra.

[FOLHA] How much information was available to the vice president?

[Romao] Everything was denied us. We did not receive anything. All we were getting were newspaper clippings. As far as transportation is concerned, the vice president had his car, a Volkswagen van, and a spare car. Other than that, we only had coffee and water.

[FOLHA] Why did Collor ostracize Franco?

[Romao] Because their personalities were incompatible. Franco did not want to participate in anything since that time the defeat of a 147-percent increase for retirees was celebrated at a cabinet meeting. Their viewpoints were incompatible. Yet, they were never hostile to each other. When Collor was going on a trip, Franco would see him off at the airport and gave him a warm hug.

[FOLHA] What was your specific role in organizing the Franco government?

[Romao] I primarily made contacts in the military area. That was the area to which I had the greatest access since I came to work for the vice president. I was involved in investigations. I had lunch every day at Fort Apache (the Army headquarters in Brasilia). I also visited the CIE (Army Intelligence Center), and the CMP (the Planalto Military Command) to collect information. I could not discharge my duties by just reading the newspapers. I developed many contacts within the Air Force. I had relatively few contacts in the Navy, but then Admiral Flores opened the Navy for me too. I used to get information from all sides.

[FOLHA] What information did you take to Franco?

[Romao] I took him biographies of those who could serve in his cabinet. He would then make his choice.

[FOLHA] What level of influence did former President Sarney have in setting up the military area of the Franco government?

[Romao] I never saw President Sarney in any of those meetings, which were held at a completely professional

level. There was no political slant to the appointments. I collected the biographies and President Franco made the appointments.

[FOLHA] What is the idea of giving jobs to the former military ministers?

[Romao] The Aeronautics Minister (Socrates Monteiro) and Admiral Flores (Navy) were reassigned. There was a problem with the Army, which was published by a newspaper [not further identified]. When the impeachment of former President Collor was in the final stages, the Senate president (then Mauro Benevides) had to authorize an international auditing company (the Kroill) to make a survey abroad. That newspaper reported that [then Army Minister Carlos] Tinoco would object. The Senate president had to go to Ceara, which delayed the audit. President Franco had by then assumed the presidency and asked if the report was was true. The minister said that it was not and the president ordered him to make a formal denial, which was published the following day. Anyway, there was not the same apparent affinity with the army minister as there was with his counterparts in the Navy or the Air Force—which took the vice president to the Antarctic. When Franco went to the Amazon at the invitation of the Navy, we outlined an "agenda" to help the Army promote some lectures, but our proposal did not prompt any response. Only when the vice president had a full agenda did the Army Ministry decide to give us a call. It was too late by then.

[FOLHA] When did President Franco become convinced of the existence of corruption within the Collor government, and that it reached even the ministerial cabinet?

[Romao] He was aware of it long ago.

[FOLHA] When you started working for him, was he already aware of it?

[Romao] Yes, he was. That is, he already suspected it. He has always been well informed, after all he has been in political life for many years.

[FOLHA] After the formation of the government and before you were assigned to Conab [National Supply Company], did you continue to help the president in the information area...?

[Romao] I went to the Intelligence Department (DI) of the SAE (Strategic Affairs Secretariat).

[FOLHA] How was the fight with Admiral Flores?

[Romao] There was nothing to it. I was appointed to the Intelligence Department because there was a trend there led by PP (former Secretary Pedro Paulo Leoni Ramos) which distorted all the information doctrine. That trend was based on the principle that there was no more information, only intelligence operations abroad. There was no domestic interest. In fact, it was not like that: The fact is that the domestic area only caused problems. The domestic part was eliminated to facilitate corruption. I had to reorganize everything. Then I had to get Flores to make changes. He is very cautious and wanted to do things gradually. I am more of a daredevil, perhaps because I was well aware of the situation. I had two sources in information. I knew President Franco was interested in the domestic area. He wants to know about the drought, if the money sent is being used correctly, he wants to know everything about the country. It was during those changes that Flores and I had some disagreements on the doctrinal aspect. But he supported me and I was able to make all those changes.

[FOLHA] And now, how will you untie the Federal Police knot?

[Romao] I think things are easier here. Everything is under control. For two days I talked with six superintendents from several regions. They gave me two pages containing their demands, and some excellent solutions. There is a draft law in Congress that only needs the favorable opinion there. We will obtain some resources through that draft law. Things are almost ready here. I think within 10 days we will have everything ready, and we will begin to collect money from everywhere.

[FOLHA] Colonel, was the old SNI (National Intelligence Service) reorganized or not?

[Romao] The old SNI began in an exceptional manner. I took some courses there in 1966, following my first course on information in the Army. The other course I took was at the Esni [National Intelligence School] in 1979. The old SNI was created during the period of marches, during the giddy period. The idea behind it was marvelous but after some time it had grown too much and was often involved in different activities. The SNI began to investigate everything, including citizens. But President Franco ordered the creation of an intelligence organization subordinate to the president of the Republic. It must be that way, because he is the one who will use the information. It must be eminently transparent. He already has a draft copy, which will probably be ready this week, as he wants it. This project establishes the following: First, an organization subordinated to him: Second, an organization supervised, for control and doctrinal purposes, by a council. This council will be called the Superior Intelligence Council, headed by the justice minister and will include the military ministers and some congressmen. This council will prepare the intelligence policy and will have overseeing powers. It will be empowered to intervene within the organization.

[FOLHA] Will the SAE be dissolved?

[Romao] No. It will continue to operate. This secretariat has the responsibilities of the old National Security Council. The SAE is responsible for Calha Norte [security belt along northern borders], border municipalities, and macroeconomic projects. The SAE is responsible for overall planning and supervision, especially in the Amazon region. It handles important intelligence information.

[FOLHA] Will the DI—where you used to work—disappear?

[Romao] Yes. The DI no longer operates under the SAE. The SAE will work on its own normal duties. The Central Intelligence Center will be created to absorb DI duties. The SAE still deals with nuclear energy and the important projects designed by [former Strategic Affairs Secretary] Eliezer Batista, which Flores is speedily carrying out. The area of intelligence handles normal information swiftly. That is happening now. The president hears it quickly. There is a direct link.

[FOLHA] In a case like La Candelaria massacre [the killing of street children in Rio de Janeiro], for instance, the president would be immediately informed by the CFI [Federal Intelligence Center]?

[Romao] Sometimes even before it happens. For instance, the president wants to travel, but he cannot be exposed to anything that would tarnish his image or anything else we value. He is alerted: Something of this nature is going on, this is the situation. If he goes he is prepared. He may go. He decides.

[FOLHA] Will the bill regulating the CFI be submitted to Congress soon?

[Romao] Yes. The president has said he wants the issue resolved during August.

[FOLHA] What is the origin of your friendship with President Franco?

[Romao] I cannot say what I have is a friendship with the president. There are a series of coincidences. We attended the same school in Juiz de Fora in 1941, the Gambery Institute, at the start of our secondary education. We were in the same room until we reached the scientific level when I entered the preparatory school. It was a group of five people. I cannot say if it was friendship, or comradery. I can only say that I am a friend of the president. It is possible that he may be my friend. There is a very great difference between him and me. We shared a lot together during those years.

[FOLHA] Did you maintain contact with him when he became Juiz de Fora mayor?

[Romao] Yes. A brother of mine worked for him. I lived in Espirito Santo. I do not know if you aware of it, but Franco's life was not easy at the beginning. He worked hard. To make money he obtained a concession to produce concrete blocks for paving streets. He went to Espirito Santo to build Beira-Mar Avenue. I lived there. From time to time he dropped by my place to eat something. He had a girlfriend. He was a bachelor and I was already married at that time. He remained a bachelor much longer. He married when he was quite mature.

[FOLHA] Before he married, was he a ladies man?

[Romao] He was the champion of our group.

[FOLHA] Is he still a ladies man?

[Romao] I do not know how he manages now. Every time he opens his door, someone is watching.

Cardoso Again Says No 'Shock Policy' Planned

PY0508020493 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 4 Aug 93

[Report by Corban Costa from the Finance Ministry]

[Text] During a luncheon today with businessmen at the National Confederation of Commerce headquarters, Finance Minister Fernando Henrique Cardoso stated that inflation can only be curbed by a concerted effort by the whole society. He once again denied that he is studying whether to implement draconian measures. He commented on the government's budget constraints for the coming year. He said that he will be able to come to grips with the government's deficit, but he underscored the importance of including a fiscal reform in the debate on the constitutional reform scheduled for October in order to balance the budget.

Cardoso reported that the government is implementing stringent measures to combat inflation such as budget cuts, debt rescheduling agreements for municipalities and states, and the reduction of interest rates on Treasury bonds. To conclude, Cardoso called upon all sectors of the economy to help the government's endeavors, but he reiterated that he is not going to implement draconian measures to control inflation. He said:

[Begin recording] What's the use of working a miracle here? We freeze prices during a month and then when we liberalize them, everything is much more expensive; inflation becomes rampant. Therefore, those who are demanding that type of measure are ill- informed. If I had implemented shock measures, everybody would have been complaining now. And yet now they are demanding a shock policy, but there won't be any shock policy, not by any means. [end recording]

* Imports Projected to Rise 16.26 Percent Rise in 1993

93SM0336D Sao Paulo GAZETA MERCANTIL in Portuguese 1 Jul 93 p 5

[Article: "Exports Expected To Rise 16.26 Percent This Year"; "exports" in the original headline and "imports" in the text below are as published]

[Text] Brazil will increase its imports by 16.26 percent this year to a total of $23.9 billion, according to a study by the Institute of Applied Economic Research (IPEA) in the Ministry of Finance.

The institute is forecasting a foreign trade surplus of $14.5 billion for 1993. Last year's surplus totaled $15.54 billion.

Maria Helena Horta, an economist at the institute, told AP/Dow Jones that imports would increase as a result of the growth of economic activity and the opening up of the Brazilian market.

According to official foreign trade data, imports in March were up 50 percent over the same month in 1992. In April they were up by 80 percent. In the first quarter of the year, imports of raw materials were up by 24.5 percent, while imports of capital goods were up by 12 percent. Tariff reduction was also responsible for the growth in imports, the economist said.

Chile

Cuba's Robaina To Make 'Private Visit' to Chile 9 Aug

PY0508022593 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0137 GMT 5 Aug 93

[Text] Santiago, 4 Aug (AFP-NA)—Chilean Foreign Minister Enrique Silva Cimma reported on 4 August that Cuban Foreign Minister Roberto Robaina has expressed his interest in a private visit to Chile after participating in the inaugural ceremonies for the new Bolivian president.

Silva Cimma said: "Obviously, there will be no problem in granting him a visa so he can visit our country."

Diplomatic sources indicated that Robaina will arrive in Santiago on 9 August after participating in the inaugural ceremonies for Bolivian President-elect Gonzalo Sanchez de Lozada on 6 August.

Robaina will visit Chile before travelling to Asuncion, where he will participate in the inaugural ceremonies for Paraguayan President-elect Juan Carlos Wasmosy, which are scheduled for 15 August.

Robaina's visit to Chile will follow the visit that Cuban Vice President Carlos Lage made in June this year.

Chile and Cuba broke off diplomatic relations after the September 1973 military coup d'etat headed by General Augusto Pinochet, and reestablished trade and consular relations on 1 July 1991.

* Former DINA Agent Speaks on Disappearance Cases

93SMO360A Santiago LA NACION in Spanish 26 Jun 93 pp 8-9

[Article by Claudia Andrea Sanchez]

[Text] Samuel Fuenzalida's face affects many of those who survived the secret jails of the DINA [National Intelligence Directorate]. When he admitted having taken one of the disappeared *(el Loro Matias)* to his death years ago, they recalled his childish way of talking and his latent curiosity. His words describe an important chapter in the dark region of the Colonia Dignidad. Today the declarations before the Chilean courts of justice by the former member of DINA, who travelled to Chile especially for this, will keep judges and policemen busy and will refresh the memory of his former torturer and guard companions in Villa Grimaldi and Londres 38.

After 18 years he decided to return to his country and he paid for the trip. He stayed three weeks. Intense days in which this former draftee, who has resided abroad since 1975, looked into the faces of some of his former prisoners. Everything that today constitutes a landmark that cannot be forgotten came down like a torrent: 1974 and DINA.

"I was doing military duty in Calama," recalls Fuenzalida. The regiment's commanders called me and said that because of my good rating in the army they wanted to reward me with a vacation by the seashore. From Tejas Verdes I went to Rocas de Santo Domingo. When I arrived at Santo Domingo, Manuel Contreras was there and he asked us if we had signed. He asked us if we had noticed the acronym on the page and explained that from that time on we were members of DINA. The courses of instruction for DINA's agents were offered in Santo Domingo.

"Where were you initiated?"

"In *Terranova*, that is to say in Villa Grimaldi. I started in Londres 38 at the end of January and continued until March 1974."

"Did you see prisoners die while being tortured?"

"Many of them...."

At the end of military service Fuenzalida was able to quit and refused to continue in DINA as a noncommissioned officer. Nevertheless, because of Contreras warning that the ties were unbreakable he decided to leave the country in 1975.

In his recent testimony he informed the courts about the location of the remains of many of the disappeared, including those of the body of the student leader of the MIR [Movement of the Revolutionary Left], Alvaro Vallejos Villagran, the *Loro Matias*, who probably was executed and buried in Colonia Dignidad.

Fuenzalida informed the Chilean courts and the press that the so-called elite group of DINA consisted of no more than a hundred officials and agents. Samuel Fuenzalida left Chile yesterday, along with the deputy Sergio Aguil" who accompanied him to Buenos Aires. Also bidding him goodbye was Lautaro Videla, brother of Lumi Videla, murdered brutally in 1974 by DINA's agents and himself a survivor.

Why did you decide to come and testify before the courts?

Because of a duty to society. Many people want to know the whereabouts of their loved ones and I thought that I could help to shed some light on the truth.

Are there other places?

Yes, there are other places, but on account of security and so as not to obstruct the court investigations, I cannot reveal any more information.

Are they military installations?

Yes, in military installations.

Did you also deliver the names of the persons who took part in the incidents?

Yes.

How did you meet csar Vallejos Villagran, the *Loro Matias*?

I had the opportunity to meet him for the first time in Londres 38 and later when we took him to Colonia Dignidad to be executed. From these facts I can say that he was executed there.

How did it happen?

We left with him for Cuatro Alamos, we continued southward to Colonia Dignidad and delivered *Loro Matias* to Professor Paul Schaeffer and he took charge of him. While we were in the dining room with the rest of the people from DINA he made a gesture to let us know that the Loro was dead.

Did you know other prisoners who were taken to Colonia Dignidad?

I could not tell exactly, but I do know that many prisoners wound up there. Sometimes 12 or 15 left in a light truck. I believe they were going to that destination because they said they were going to "Puerto Montt".

What did "Puerto Montt" meant to DINA?

It was the code to indicate those who would die on land.

Was there another code for those who would die at sea?

Those were called "Moneda." I knew the case of an Argentinian who was thrown into the ocean and the ocean returned him. The Argentinian came from Londres 38. I am not sure but I believe his body appeared in the vicinity of San Antonio or Cartagena, around there somewhere.

Do you remember the names of the detained who disappeared, whom you saw while at DINA?

Yes, I remember Sonia Rios Ibarra; a young woman with the surname Dockendorf, I do not remember the first name—Jacqueline; Edward Manyuri; Sergio Carabantes and others who came from Valparaiso but I do not remember their names. (Many of the names he quotes appear on the list of the 119 disappeared published in Brazil and Argentina).

Those I saw in Villa Grimaldi, in a place called *La Torre*. All who were there were kept in isolation only to be killed. I do know also that DINA's agents used identity cards from certain people in the list and made them appear in crimes. Identity cards that belonged to the detained.

In Colonia Dignidad there must have been dead and buried people. Approximately how many of the detained who disappeared were there?

In the later declarations by the Bahr and Pakmoord families (former settlers from Dignidad and Schaeffer's former confidence men who escaped from Chile a long time ago), which I heard in Bonn in judicial proceedings taking place there, it was said that the family prepared meals for 40 pigs, the word they used to refer to the prisoners.

When people had to be transported to Colonia Dignidad, who gave the orders?

The senior noncommissioned officers. When it was my turn to go, Manuel Mariquez was commander of DINA. We travelled to Parral under his orders.

Did you know Osvaldo Romo?

I met him in Londres 38 when he was a detainee, in time he became an agent of DINA.

Did you see him while you were in the country?

Yes, in the penitentiary. At first he did not recognize me, but when I reminded him of some anecdotes he remembered.

Do you believe that other DINA agents who know the truth would be willing to give their testimonies to the courts?

They could...we are free to do so. Now, because of pressure they would not do it, but later they will do it.

Did you meet Manuel Contreras?

I met him when I arrived at DINA and when he bid farewell to me also.

Did you see Michael Townley in Villa Grimaldy at any time?

I might have seen him around four times. He was an agent of DINA.

And Eugenio Berrios?

He had been associated with DINA. He would come sporadically to Villa Grimaldi.

Going back to Dignidad. The people who operated there, were they only Germans or were there DINA agents inside the compound?

They operated in conjunction.

Who were DINA's agents?

I do not know exactly, but I accompanied an official named Fernando Gomez Segovia. He had direct contact.

How many chiefs operated?

Not more than 100.

Were there agents who by 1974 were already repentant like you were?

Not only agents but also officers. They did not mentioned it directly but they let it show.

What is your opinion of the Army after your experience?

Few of them were involved. Only a small part. I believe some of them wish to declare.

Colombia

Romania's Iliescu Arrives, Begins Talks With Gaviria

AU0408171093 Bucharest ROMPRES in English 1615 GMT 4 Aug 93

[Text] Bogota ROMPRES, 4/8/1993—After his arrival in the capital of Colombia, the last leg of his tour in Latin American countries, Romanian President Ion Iliescu gave short interviews to the media.

The head of the Romanian state had a first round of talks with the president of Colombia, Cesar Gaviria Trujillo.

Humberto De la Calle Resigns as Presidential Designate

PA0408202193 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 3 Aug 93

[Text] Presidential hopeful Humberto De la Calle Lombana made formal his previously announced resignation from the presidential designate office. Thus, the close competition between Communications Minister William Jaramillo and Foreign Trade Minister Juan Manuel Santos to occupy the vacant position has started.

De la Calle's resignation from his presidential designate position opens the door for the last of the dinosaurs to enter. This species, which is on its way to extinction, will disappear completely in Colombia when the vice president position becomes official during the coming elections. However, to be a presidential designate means being the last Colombian to join the group of former presidents with life annuities who have not gone through an electoral process. The officials who are interested in this position seek a last chance to occupy this already obsolete position.

* Samper on 'Apertura,' Differences With Gaviria

93SM0364A Cali EL PAIS in Spanish 22 Jun 93 p B-3

[Excerpts from interview with Liberal Party precandidate Ernesto Samper Pizano by Luis Alfonso Mena: "Samper Pizano Defines Himself: I Lean Toward the Social Center"; in Cali; date not given]

[Excerpts] Rather in the style of the post-Franco era, Ernesto Samper Pizano, former ambassador to Spain, defines the course on which he intends to embark in his drive for the presidency of the Republic as the "social center."

This is not only due to the influence of the country from which he has just returned, but the two men who are conducting his campaign, Horacio Serpa and Fernando Botero, represent seemingly irreconcilable sectors of the party.

But a social democratic Serpa and a neoliberal Botero do not represent a problem for Samper. The two complement each other and enrich his movement, he says.

Samper is seeking to rally the support of all the liberals, without concerning himself for the moment with their ideological origins. He worries only about their backgrounds with respect to patronage.

During his most recent visit to Cali, Samper spoke on this and other topics with EL PAIS.

[Mena] You have built a candidacy in the image and likeness of Bill Clinton's. He turned out to be an excellent candidate, but thus far a very mediocre president. Are you not afraid that the same will happen to you?

[Samper] I have expressed my support for candidate Clinton. I share his campaign themes on the need to reorient the economic liberalization process, by imparting to it a social connotation. But it is too early to judge President Clinton. I prefer to remain firmly with the themes of the candidate and await a final judgment on his administration.

[Mena] Would you cite, in concrete terms, three of your differences of views with President Gaviria's?

[Samper] I fully support Gaviria's political agenda, namely: institutional reforms, the instituting of new constitutional freedoms, and the bringing to justice of the drug traffickers. But for the past several years now, I have stated my opposition to the social focus of President Gaviria's economic policy: 1) Colombia cannot afford a headlong rush toward economic liberalization, given the violent conditions it is experiencing. That is the reason I have proposed a gradual change. 2) This country cannot be governed under a socially driven market policy. 3) I am concerned that a disorganized decentralization process is taking place in the form of a transferal of responsibilities to the regions without the resources to finance them.

[Mena] In theory, anything is possible. But in practice, how are you going to change this administration's "apertura" [economic liberalization program]?

[Samper] I am not going to reverse the process. What I will do is broaden it to include its internationalization. It

is one thing to lower tariffs unilaterally to the exclusive benefit of the consumers, and quite another to internationalize our economy, which means protecting Colombian businessmen from unfair competition, and subsidizing them so that they can compete on an equal footing with foreigners.

[Mena] The current trend, however, is toward a dismantling of subsidies....

[Samper] That is not the trend. The European Economic Community, to cite just one example, is planning to put more than $45 billion into its farm policy. The subsidy given to a Dutch cow equals the per capita annual income of a Colombian worker. Why should Colombia have to dismantle all its barriers?

[Mena] How will you guarantee Colombians a frontal fight against unemployment?

[Samper] By stimulating this country's economy to grow at an annual rate of over 5 percent. If this is not done within the next six years, we will not be able to generate the jobs that this country is going to need. We will foster industrial modernization and agricultural recovery.

[Mena] With what tools?

[Samper] 1) Technology. 2) Infrastructure, dispelling the fear of large enterprises. 3) Investments in human capital: education, health,....

[Mena] With respect to the Constitution, what will you do?

[Samper] Make some adjustments. There are vacuums that must be filled—for example, in the justice system—in order to avoid conflicts among its institutions.

[Mena] Would you institute a reform to implement these changes?

[Samper] The new Constitution will have not only one reform but many reforms in the next 100 years. There are 137 articles of the Magna Carta to be drafted that will affect the law.

[Mena] You have a problem within your movement. Ernesto Samper is identified with social democratic leanings and Dr. Serpa is a proponent of that philosophy. Senator Botero, a proponent of neoliberalism, is also a member. How do you reconcile this dichotomy?

[Samper] I focus more on what unites them than on what might possibly divide them. Both have a clear understanding of what constitutes the honest conduct of politics, as well as a thoroughly democratic approach to issues and to their differences. And they both belong to new generations that will serve as a base for renewing the party.

[Mena] But when it comes to formulating policies and implementing them, will these differences not create problems?

[Samper] No. Within the movement they have come to a perfect understanding and have found points of agreement. In the case of the social security issue, for example, we made it the subject of very intense debates inside the movement, but we always found a common denominator. Differences negotiated democratically are what make my political platform prosper. It is a platform of the social center.

[Mena] With respect to corruption, how will you truly fight it?

[Samper] We are going to draft a law that will not be a "Samper law," but rather a document that will be submitted to debate throughout the campaign so that the people may enhance it with their input. There will be regional meetings and forums to discuss it.

[Mena] Will you resume a dialogue with the guerrillas?

[Samper] The doors to a dialogue are closed. They are closed from the outside. The guerrillas know how to open them: by laying down their arms and showing themselves truly willing to return permanently to the fold, rather than returning temporarily only to leave it again.

[Mena] That is what the insurgents can do. What would your government do?

[Samper] I would simply verify that these things have occurred. If and when they do occur, they will have opened the way to an effective dialogue leading to the reintegration of the insurgents.

[Mena] What framework would you impart to your policy on human rights?

[Samper] Human rights at the international level must be approached by way of a preventive diplomatic strategy designed to keep internal militancy from spilling over into international arenas.

[Mena] Have you already made your plans for the vice presidency?

[Samper] I am not going to make the mistake of being led, for mere reasons of region, gender, or established alliances, to including a potential conspirator in my lineup. I intend to choose a person who will follow the policy line I shall define.

[Mena] Who will that person be?

[Samper] There are 30 million possible candidates-....[passage omitted]

[Mena] Why are you asking people to vote for you?

[Samper] 1) Because of my record. 2) Because of the platform I am proposing, based on work, anticorruption, and economic growth. 3) Because of the working team that has joined me. [passage omitted]

[Mena] In the department of Valle, who supports you?

[Samper] Eighty percent of the party's members support me. I am concerned with unity but also with not losing seats in Congress.

* Funds From Bank Sales To Help Cover Deficit

93P20231A Santa Fe de Bogota EL ESPECTADOR in Spanish 17 Jul 93 p B1

[Excerpt] The government will finance the reduction in next year's fiscal deficit through the sale of four banks—among them the Banco Popular—and by incurring internal and external debt.

The government has decided to relinquish, as soon as possible, ownership of the Banco de Colombia, Banco Cafetero, Banco del Estado, and Banco Popular—which will mean income of 250 billion pesos next year—as well as some state companies.

In the first six months of this year there was a fiscal surplus of nearly 1.5 percent of the GDP.

To finance the deficit for 1994, which must be reduced to a level of 1.3 percent of the GDP, economic authorities will resort to external credits totaling $800 million and the sale of public sector stocks totaling 250 billion pesos.

Finance Minister Rudolf Hommes said that the government will retain ownership of the Agricultural Credit Bank [Caja Agraria] and the Central Mortgage Bank which will be a mixed capital enterprise. [passage omitted]

* Defense Budget To Increase by 50 Percent

93P20234A Santa Fe de Bogota EL ESPECTADOR in Spanish 13 Jul 93 p B1

[Article subtitled: "1.05 Trillion Pesos, for Police, Army, and DAS Salaries"]

[Text] The budget for national defense and security is expected to increase by 50 percent in 1994.

An estimated 800 billion pesos will go toward paying Army, DAS [Administrative Department of Security], and police salaries next year.

Meanwhile, general expenditures are expected to total 250 billion pesos.

Staffing for security and defense agencies is expected to cost just over 250 billion pesos more than in 1993.

The judicial budget is also expected to be increased substantially to 190 billion pesos.

Faced with complex public security problems, the Gaviria administration will be forced to increase not only the size of the force but will have to improve salaries for the Police, the Army, and the DAS as well.

This plan which began to be implemented this year and which is slated to continue until 1995 will cost 440 billion pesos.

These figures are included in the program of income and spending for 1994 which the Finance Ministry is preparing.

* Few Respond To Appeal for 'War Bond' Donations

93P20233A Santa Fe de Bogota EL ESPECTADOR in Spanish 30 Jun 93 p B1

[Excerpt] The donation of war bonds did not advance beyond good intentions.

Although a significant number of businessmen, farmers, and ranchers promised to donate to the government the funds invested in those bonds, at the hour of truth they backed away.

The finance minister announced yesterday that of the 209 billion pesos in war bonds to be returned, only 68 million pesos had been received.

The government is disappointed with the attitude of contributors since it had been hoped that at least 60 billion pesos would be received to establish a special fund to increase the budget for the country's security forces.

President Gaviria and his finance minister, Rudolf Hommes, appealed to the private sector—but to no avail—to donate a part of its resources earned through those bonds whose restitution is causing serious gaps in the public treasury.

The Finance Ministry has until 23 October to refund the bond money.

Large contributors, companies in general, and individuals have used the bonds to make income tax payments, as well as for withholding at the source, value-added tax, and outstanding treasury fines. [passage omitted]

Uruguay

Deputies, MNR Accept U.S. Ambassador's Explanation

PY0408184893 Montevideo LA MANANA in Spanish 22 Jul 93 p 2

[Text] The National Rocha Movement [MNR] and the International Affairs Committee of the Chamber of Deputies have put an end to a controversy provoked by remarks attributed to U.S. Ambassador Richard Brown, after considering Brown's subsequent explanations to be satisfactory.

According to press reports, Brown had conveyed to MNR Deputy Javier Barrios Anza his criticism for a

declaration issued by the plenum of the Chamber of Deputies condemning the U.S. attack on Baghdad.

The above reports also quoted Brown as saying that in the past, Uruguay had been a friend of the United States, but that the declaration has aroused questions about this friendship.

Ambassador Brown publicly stated that he had been misinterpreted, that he continues to consider Uruguay to be a friend of his country, and that Uruguay has every right to issue a declaration such as the one issued by the Chamber of Deputies.

Venezuela

Acting President Says Government Facing 'Fiscal Emergency'

PA0408130893 Paris AFP in Spanish 2150 GMT 3 Aug 93

[Text] Caracas, 3 Aug (AFP)—Acting President Ramon J. Velasquez said on 3 August in Caracas that Venezuela is facing a fiscal emergency rather than a political one, so a suspension of constitutional rights is uncalled for.

The fiscal situation is extremely grave as a result of external debt, inflation, and the devaluation of the currency, all of which create a negative atmosphere for democracy, the leader added.

The possibility of a suspension of constitutional rights was surmised due to statements by the defense and interior ministers on 3 August in Caracas.

Defense Minister Vice Admiral Radames Munoz Leon said: "The suspension of constitutional rights in Venezuela will be something to think about if the wave of terrorism continues."

Interior Minister Carlos Delgado Chapellin had previously said that "the government will legitimately suspend constitutional rights if things really get out of hand."

Delgado gave another statement on the afternoon of 3 August and denied the possibility had been discussed. "That would be a disastrous contingency or situation for the Republic," he said.

Uncertainty prevailed on 3 August in the Venezuelan capital following a wave of false reports on the placement of "letter bombs" at the Ministries of Transportation, Labor, Finance, and Education, as well as the Supreme Electoral Council, Maiquetia International Airport, and various banks.

The people's alarm increases while police corps complain about problems faced by their bomb disposal teams which have to handle the increasing number of telephone calls announcing the placement of bombs in various government agencies.

A "letter bomb" exploded and blew off an employee's hand on 19 July at the Supreme Court of Justice; three additional devices have exploded in eastern Caracas, causing no injuries, and the police have reported other devices that had been defused.

Meanwhile, although the executive branch offered to step up the investigation and sought the advice of CIA and FBI experts, there has been no progress concerning the identification of the people responsible for the attacks.